

Appendix A

Geothermal Leases and Stipulations

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number N-17282

USGS - KGRA Determination:

GEOTHERMAL RESOURCES LEASE

☒ Competitive ☐ Noncompetitive

4-1-74

In consideration of the terms and conditions contained herein, and the grant made hereby, this lease is entered into by the UNITED STATES OF AMERICA (hereinafter called the "Lessor"), acting through the Bureau of Land Management (hereinafter called the "Bureau") of the Department of the Interior (hereinafter called the "Department"), and

Republic Geothermal, Inc., 11823 East Slauson Ave., Suite One, Santa Fe Springs, California 90670

(hereinafter called the

"Lessee").

This lease is made pursuant to the Geothermal Steam Act of 1970 (84 Stat. 1566; 30 U.S.C. 1001-1025) (hereinafter called "the Act") to be effective on **NOV 01 1977** (hereinafter called the "effective date"). It is subject to all the provisions of the Act and to all the terms, conditions, and requirements of (a) all regulations promulgated by the Secretary of the Interior (hereinafter called "the Secretary") in existence upon the effective date, specifically including, but not limited to, 43 CFR Parts 3000 and 3200 and 30 CFR Parts 270 and 271, (b) all geothermal resources operational orders (hereinafter called "GRO orders") issued pursuant thereto, all of which are incorporated herein and by reference made a part hereof, and (c) any regulations hereafter issued by the Secretary (except those inconsistent with any specific provisions of this lease other than regulations incorporated herein by reference) all of which shall be, upon their effective date, incorporated herein and, by reference, made a part hereof.

Sec. 1. GRANT - The Lessor hereby grants and leases to the Lessee the exclusive right and privilege to drill for, extract, produce, remove, utilize, sell, and dispose of geothermal steam and associated geothermal resources, (hereinafter called "geothermal resources"), in or under the following described lands situated within the County of **Churchill**

State of **Nevada**

National Resource Lands			Acquired Lands		
T. 24 N.	R. 36 E.	Mt. Diablo Meridian	T.	R.	Meridian
sec. 11:	A11;				
sec. 14:	A11;				
sec. 15:	A11;				
sec. 23:	A11.				
<div>RECEIVED Bureau of Land Management NEVADA LAND OFFICE 10:00 A.M. SEP 28 1977 NEVADA STATE OFFICE RENO, NEVADA</div>					
Total Area 2,560.00			Total Area		

Containing **2,560.00**

acres (hereinafter called the "leased area" or "leased lands"), together with:

- (a) The nonexclusive right to conduct within the leased area geological and geophysical exploration in accordance with applicable regulations; and
- (b) The right to construct or erect and to use, operate, and maintain within the leased area, together with ingress and egress thereupon all wells, pumps, pipes, pipelines, buildings, plants, sumps, brine pits, reservoirs, tanks, waterworks, pumping stations, roads, electric power generating plants, transmission lines, industrial facilities, electric, telegraph or telephone lines, and such other works and structures and to use so much of the surface of the land as may be necessary or reasonably convenient for the production, utilization, and processing of geothermal resources or to the full enjoyment of the rights granted by this lease, subject to compliance with applicable laws and regulations; *Provided that*, although the use of the leased area for an electric power generating plant or transmission facilities or a commercial or industrial facility is authorized hereunder, the location of such facilities and the terms of occupancy therefor shall be under separate instruments issued under any applicable laws and regulations; and
- (c) The nonexclusive right to drill potable water wells in accordance with state water laws within the leased area and to use the water produced therefrom for operations on the leased lands free of cost, provided that such drilling and development are conducted in accordance with procedures approved by the Supervisor of the Geological Survey (hereinafter called "Supervisor"); and
- (d) The right to convert this lease to a mineral lease under the Mineral Leasing Act of February 25, 1920, as amended, and supplemented (30 U.S.C. 181-287) or under the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), whichever is appropriate, if the leasehold is primarily valuable for the production of one or more valuable by-products which are leasable under those statutes, and the lease is incapable of commercial production or utilization of geothermal steam: *Provided that*, an application is made therefor prior to the expiration of the lease extension by reason of by-product production as hereinafter provided, and subject to all the terms and conditions of said appropriate Acts. The Lessee is also granted the right to locate mineral deposits under the mining laws (30 U.S.C. 21-54), which would constitute by-products if commercial production or utilization of geothermal steam continued, but such a location to be valid must be completed within ninety (90) days after the termination of this lease. Any conversion of this lease to a mineral lease or a mining claim is contingent on the availability of such lands for this purpose at the time of the conversion. If the lands are withdrawn or acquired in aid of a function of any Federal Department or agency, the mineral lease or mining claim shall be subject to such additional terms and conditions as may be prescribed by such Department or agency for the purpose of making operations thereon consistent with the purposes for which these lands are administered; and
- (e) The right, without the payment of royalties hereunder, to reinject into the leased lands geothermal resources and condensates to the extent that such resources and condensates are not utilized, but their reinjection is necessary for operations under this lease in the recovering or processing of geothermal resources. If the Lessee, pursuant to any approved plan, disposes of the unusable brine and produced waste products into underlying formations, he may do so without the payment of royalties.

Sec. 2. TERM

(a) This lease shall be for a primary term of ten (10) years from the effective date and so long thereafter as geothermal steam is produced or utilized in commercial quantities but shall in no event continue for more than forty (40) years after the end of the primary term. However, if at the end of that forty-year period geothermal steam is being produced or utilized in commercial quantities, and the leased lands are not needed for other purposes, the Lessee shall have a preferential right to a renewal of this lease for a second forty-year term in accordance with such terms and conditions as the Lessor deems appropriate.

(b) If actual drilling operations are commenced on the leased lands or under an approved plan or agreement on behalf of the leased lands prior to the end of the primary term,

and are being diligently prosecuted at the end of the primary term, this lease shall be extended for five (5) years and so long thereafter, but not more than thirty-five (35) years, as geothermal steam is produced or utilized in commercial quantities. If at the end of such extended term geothermal steam is being produced or utilized in commercial quantities, the Lessee shall have a preferential right to a renewal for a second term as in (a) above.

(c) If the Lessor determines at any time after the primary term that this lease is incapable of commercial production and utilization of geothermal steam, but one or more valuable by-products are or can be produced in commercial quantities, this lease shall be extended for so long as such by-products are produced in commercial quantities but not for more than five (5) years from the date of such determination.

Sec. 3. RENTALS AND ROYALTIES

(a) *Annual Rental* - For each lease year prior to the commencement of production of geothermal resources in commercial quantities on the leased lands, the Lessee shall pay the Lessor on or before the anniversary date of the lease a rental of \$ 2.00 for each acre or fraction thereof.

(b) *Escalating Rental* - Beginning with the sixth lease year and for each year thereafter until the lease year beginning on or after the commencement of production of geothermal resources in commercial quantities, the Lessee shall pay on or before the anniversary date of the lease an escalated rental in an amount per acre or fraction thereof equal to the rental per acre for the preceding year and an additional sum of one (1) dollar per acre or fraction thereof. If the lease is extended beyond ten (10) years for reasons other than the commencement of production of geothermal resources in commercial quantities, the rental for the eleventh year and for each lease year thereafter until the lease year beginning on or after the commencement of such production will be the amount of rental for the tenth lease year. If any expenditures are made in any lease year for diligent exploration on the leased lands in excess of the minimum required expenditures for that year, the excess may be credited against any rentals in excess of \$ 2.00 per acre or fraction thereof due the Lessor for that or any future year.

(c) *Royalty* - On or before the last day of the calendar month after the month of commencement of production in commercial quantities of geothermal resources and thereafter on a monthly basis, the Lessee shall pay to the Lessor:

(1) A royalty of 10 percent on the amount or value of steam, or any other form of heat or other associated energy produced, processed, removed, sold, or utilized from this lease or reasonably susceptible to sale or utilization by the Lessee.

(2) A royalty of 5 percent of the value of any by-product derived from production under this lease, produced, processed, removed, sold, or utilized from this lease or reasonably susceptible to sale or utilization by the Lessee, except that as to any by-product which is a mineral named in Sec. 1 of the Mineral Leasing Act of February 25, 1920, as amended, (30 U.S.C. 181), the rate of royalty for such mineral shall be the same as that provided in that statute and the maximum rate of royalty for such mineral shall not exceed the maximum royalty applicable under that statute.

(3) A royalty of 5 percent of the value of commercially demineralized water which has been produced from the leased lands, and has been sold or utilized by the Lessee or is reasonably susceptible of sale or utilization by the Lessee. In no event shall the Lessee pay to the Lessor, for the lease year beginning on or after the commencement of production in commercial quantities on the leased lands or any subsequent lease year, a royalty of less than two (2) dollars per acre or fraction thereof. If royalty paid on production during the lease year has not satisfied this requirement, the Lessee shall pay the difference on or before the expiration date of the lease year for which it is paid.

(d) *Waiver and Suspension of Rental and Royalties* - Rentals or royalties may be waived, suspended, or reduced pursuant to the applicable regulations on the entire leasehold or any portion thereof in the interest of conservation or for the purpose of encouraging the greatest ultimate recovery of geothermal resources if the Lessor determines that it is necessary to do so to promote such development, or because the lease cannot be successfully operated under the terms fixed herein.

(e) *Undivided Fractional Interests* - Where the interest of the Lessor in the geothermal resources underlying any tract or tracts described in Sec. 1 is an undivided fractional interest, the rentals and royalties payable on account of each such tract shall be in the same proportion to the rentals and royalties provided in this lease as the individual fractional interest of the Lessor in the geothermal resources underlying such tract is to the full fee interest.

(f) *Readjustments* - Rentals and royalties hereunder may be readjusted in accordance with the Act and regulations to rates not in excess of the rates provided therein, and at not less than twenty (20) year intervals beginning thirty-five (35) years after the date geothermal steam is produced from the lease as determined by the Supervisor.

Sec. 4. *PAYMENTS* - It is expressly understood that the Secretary may establish the values and minimum values of geothermal resources to compute royalties in accordance with the applicable regulations. Unless otherwise directed by the Secretary, all payments to the Lessor will be made as required by the regulations. If there is no well on the leased lands capable of producing geothermal resources in commercial quantities, the failure to pay rental on or before the anniversary date shall cause the lease to terminate by operation of law except as provided by Sec. 3244.2 of the regulations. If the time for payment falls on a day on which the proper office to receive payment is closed, payment shall be deemed to be made on time if made on the next official working day.

Sec. 5. *BONDS* - The Lessee shall file with the Authorized Officer of the Bureau (hereinafter called the "Authorized Officer") shall maintain at all times the bonds required under the regulations to be furnished as a condition to the issuance of this lease or prior to entry on the leased lands in the amounts established by the Lessor and to furnish such additional bonds or security as may be required by the Lessor upon entry on the lands or after operations or production have begun.

Sec. 6. WELLS

(a) The Lessee shall drill and produce all wells necessary to protect the leased land from drainage by operations on lands not the property of the Lessor, or other lands of the Lessor leased at a lower royalty rate, or on lands as to which royalties and rentals are paid into different funds from those

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into which royalties under this lease are paid. However, in lieu of any part of such drilling and production, with the consent of the Supervisor, the Lessee may compensate the Lessor in full each month for the estimated loss of royalty through drainage in the amount determined by said Supervisor.

(b) At the Lessee's election, and with the approval of the Supervisor, the Lessee shall drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized by applicable law.

(c) After due notice in writing, the Lessee shall diligently drill and produce such wells as the Supervisor shall require so that the leased lands may be properly and timely developed and for the production of geothermal steam and its by-products, including commercially demineralized water for beneficial uses in accordance with applicable state laws. However, the Supervisor may waive or modify the requirements of this subparagraph (c) in the interest of conservation of natural resources or for economic feasibility or other reasons satisfactory to him. If the products or by-products of geothermal production from wells drilled on this lease are susceptible of producing commercially demineralized water for beneficial uses, and a program therefor is not initiated with due diligence, the Lessor may at its option elect to take such products or by-products and the Lessee shall deliver all or any portion thereof to the Lessor at any point in the Lessee's geothermal gathering or disposal system without cost to the Lessee, if the Lessee's activities, under the lease, would not be impaired and such delivery would otherwise be consistent with field and operational requirements. The retention of this option by the Lessor shall in no way relieve the Lessee from the duty of producing commercially demineralized water where required to do so by the Lessor, except when the option is being exercised and then only with respect to wells where it is being exercised, or limit the Lessor's right to take any action under Sec. 25 to enforce that requirement.

Sec. 7. *INSPECTION* - The Lessee shall keep open at all reasonable times for the inspection of any duly authorized representative of the Lessor the leased lands and all wells, improvements, machinery, and fixtures thereon and all production reports, maps, records, books, and accounts relative to operations under the lease, and well logs, surveys, or investigations of the leased lands.

Sec. 8. *CONDUCT OF OPERATIONS* - The Lessee shall conduct all operations under this lease in a workmanlike manner and in accordance with all applicable statutes, regulations, and GRO orders, and all other appropriate directives of the Lessor to prevent bodily injury, danger to life or health, or property damage, and to avoid the waste of resources, and shall comply with all requirements which are set forth in 43 CFR Group 3200, including, but not limited to, Subpart 3204, or which may be prescribed by the Lessor pursuant to the regulations, and with the special stipulations which are attached to the lease, all of which are specifically incorporated into this lease. A breach of any term of this lease, including the stipulations attached hereto, will be subject to all the provisions of this lease with respect to remedies in case of default. Where any stipulation is inconsistent with a regular provision of this lease, the stipulation shall govern.

Sec. 9. INDEMNIFICATION

(a) The Lessee shall be liable to the Lessor for any damage suffered by the Lessor in any way arising from or connected with the Lessee's activities and operations conducted pursuant to this lease, except where damage is caused by employees of the Lessor acting within the scope of their authority.

(b) The Lessee shall indemnify and hold harmless the Lessor from all claims arising from or connected with the Lessee's activities and operations under this lease.

(c) In any case where liability without fault is imposed on the Lessee pursuant to this section, and the damages involved were caused by the action of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damage occurred.

Sec. 10. *CONTRACTS FOR SALE OR DISPOSAL OF PRODUCTS* - The Lessee shall file with the Supervisor not later than thirty (30) days after the effective date thereof any contract, or evidence of other arrangement for the sale or disposal of geothermal resources.

Sec. 11. ASSIGNMENT OF LEASE OR INTEREST THEREIN

Within ninety (90) days from the date of execution thereof, the Lessee shall file for approval by the Authorized Officer any instruments of transfer made of this lease or of any interest therein, including assignments of record title and working or other interests.

Sec. 12. *REPORTS AND OTHER INFORMATION* - At such times and in such form as the Lessor may prescribe, the Lessee shall comply with all reporting requirements of the geothermal resources leasing, operating, and unit regulations and shall submit quarterly reports containing the data which it has collected through the monitoring of air, land, and water quality and all other data pertaining to the effect on the environment by operations under the lease. The Lessee shall also comply with such other reporting requirements as may be imposed by the Authorized Officer or the Supervisor. The Lessor may release to the general public any reports, maps, or other information submitted by the Lessee except geologic and geophysical interpretations, maps, or data subject to 30 CFR 270.79 or unless the Lessee shall designate that information as proprietary and the Supervisor or the Authorized Officer shall approve that designation.

Sec. 13. *DILIGENT EXPLORATION* - In the manner required by the regulations, the Lessee shall diligently explore the leased lands for geothermal resources until there is production in commercial quantities applicable to this lease. After the fifth year of the primary term the Lessee shall make at least

the minimum expenditures required to qualify the operations on the leased lands as diligent exploration under the regulations.

Sec. 14. PROTECTION OF THE ENVIRONMENT (LAND, AIR AND WATER) AND IMPROVEMENTS - The Lessee shall take all mitigating actions required by the Lessor to prevent: (a) soil erosion or damage to crops or other vegetative cover on Federal or non-Federal lands in the vicinity; (b) the pollution of land, air, or water; (c) land subsidence, seismic activity, or noise emissions; (d) damage to aesthetic and recreational values; (e) damage to fish or wildlife or their habitats; (f) damage to or removal of improvements owned by the United States or other parties; or (g) damage to or destruction or loss of fossils, historic or prehistoric ruins, or artifacts. Prior to the termination of bond liability or at any other time when required and to the extent deemed necessary by the Lessor, the Lessee shall reclaim all surface disturbances as required, remove or cover all debris or solid waste, and, so far as possible, repair the offsite and onsite damage caused by his activity or activities incidental thereto, and return access roads or trails and the leased lands to an acceptable condition including the removal of structures, if required. The Supervisor or the Authorized Officer shall prescribe the steps to be taken by Lessee to protect the surface and the environment and for the restoration of the leased lands and other lands affected by operations on the leased lands and improvements thereon, whether or not the improvements are owned by the United States. Timber or mineral materials may be obtained only on terms and conditions imposed by the Authorized Officer.

Sec. 15. WASTE - The Lessee shall use all reasonable precautions to prevent waste of natural resources and energy, including geothermal resources, or of any minerals, and to prevent the communication of water or brine zones with any oil, gas, fresh water, or other gas or water bearing formations or zones which would threaten destruction or damage to such deposits. The Lessee shall monitor noise, air, and water quality conditions in accordance with any orders of the Supervisor.

Sec. 16. MEASUREMENTS - The Lessee shall gauge or otherwise measure all production, sales, or utilization of geothermal resources and shall record the same accurately in records as required by the Supervisor. Reports on production, sales, or utilization of geothermal resources shall be submitted in accordance with the terms of this lease and the regulations.

Sec. 17. RESERVATIONS TO LESSOR - All rights in the leased area not granted to the Lessee by this lease are hereby reserved to the Lessor. Without limiting the generality of the foregoing such reserved rights include:

(a) *Disposal* - The right to sell or otherwise dispose of the surface of the leased lands or any resource in the leased lands under existing laws, or laws hereafter enacted, subject to the rights of the Lessee under this lease;

(b) *Rights-of-way* - The right to authorize geological and geophysical explorations on the leased lands which do not interfere with or endanger actual operations under this lease, and the right to grant such easements or rights-of-way for joint or several use upon, through or in the leased area for steam lines and other public or private purposes which do not interfere with or endanger actual operations or facilities constructed under this lease;

(c) *Mineral Rights* - The ownership of and the right to extract oil, hydrocarbon gas, and helium from all geothermal steam and associated geothermal resources produced from the leased lands;

(d) *Casing* - The right to acquire the well and casing at the fair market value of the casing where the Lessee finds only potable water, and such water is not required in lease operations; and

(e) *Measurements* - The right to measure geothermal resources and to sample any production thereof.

Sec. 18. ANTIQUITIES AND OBJECTS OF HISTORIC VALUE - The Lessee shall immediately bring to the attention of the Authorized Officer any antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric ruins, fossils, or artifacts discovered as a result of operations under this lease, and shall leave such discoveries intact. Failure to comply with any of the terms and conditions imposed by the Authorized Officer with regard to the preservation of antiquities may constitute a violation of the Antiquities Act (16 U.S.C. 431-433). Prior to operations, the Lessee shall furnish to the Authorized Officer a certified statement that either no archaeological values exist or that they may exist on the leased lands to the best of the knowledge and belief of the Lessee and that they might be impaired by geothermal operations. If the Lessee furnishes a statement that archaeological values may exist where the land is to be disturbed or occupied, the Lessee will engage a qualified archaeologist, acceptable to the Authorized Officer, to survey and salvage, in advance of any operations, such archaeological values on the lands involved. The responsibility for the cost for the certificate, survey, and salvage will be borne by the Lessee, and such salvaged property shall remain the property of the Lessor or the surface owner.

Sec. 19. DIRECTIONAL DRILLING - A directional well drilled under the leased area from a surface location on nearby land not covered by the lease shall be deemed to have the same effect for all purposes of this lease as a well drilled from a surface location on the leased area. In such circumstances, drilling shall be considered to have been commenced on the nearby land for the purposes of this lease, and production of geothermal resources from the leased area through any directional well located on nearby land, or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations (as the case may be) on the leased area for all purposes of this lease. Nothing contained in this section shall be construed as

granting to the Lessee any right in any land outside the leased area.

Sec. 20. OVERRIDING ROYALTIES - The Lessee shall not create overriding royalties of less than one-quarter (1/4) of one percent of the value of output nor in excess of 50 percent of the rate of royalty due to the Lessor specified in Sec. 3 of this lease except as otherwise authorized by the regulations. The Lessee expressly agrees that the creation of any overriding royalty which does not provide for a prorated reduction of all overriding royalties so that the aggregate rate of royalties does not exceed the maximum rate permissible under this section, or the failure to suspend an overriding royalty during any period when the royalties due to the Lessor have been suspended pursuant to the terms of this lease, shall constitute a violation of the lease terms.

Sec. 21. READJUSTMENT OF TERMS AND CONDITIONS - The terms and conditions of this lease other than those related to rentals and royalties may be readjusted in accordance with the Act at not less than ten-year intervals beginning ten (10) years after the date geothermal steam is produced from the leased premises as determined by the Supervisor.

Sec. 22. COOPERATIVE OR UNIT PLAN - The Lessee agrees that it will on its own, or at the request of the Lessor where it is determined to be necessary for the conservation of the resource or to prevent the waste of the resource, subscribe to and operate under any reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof embracing the lands subject to this lease as the Secretary may determine to be practicable and necessary or advisable in the interest of conservation. In the event the leased lands are included within a unit, the terms of this lease shall be deemed to be modified to conform to such unit agreement. Where any provision of a cooperative or unit plan of development which has been approved by the Secretary, and which by its terms affects the leased area or any part thereof, is inconsistent with a provision of this lease, the provisions of such cooperative or unit plan shall govern.

Sec. 23. RELINQUISHMENT OF LEASE - The Lessee may relinquish this entire lease or any officially designated subdivision of the leased area in accordance with the regulations by filing in the proper BLM office a written relinquishment, in triplicate, which shall be effective as of the date of filing. No relinquishment of this lease or any portion of the leased area shall relieve the Lessee or its surety from any liability for breach of any obligation of this lease, including the obligation to make payment of all accrued rentals and royalties and to place all wells in the leased lands to be relinquished in condition for suspension or abandonment, and to protect or restore substantially the surface or subsurface resources in a manner satisfactory to the Lessor.

Sec. 24. REMOVAL OF PROPERTY ON TERMINATION OR EXPIRATION OF LEASE

(a) Upon the termination or expiration of this lease in whole or in part, or the relinquishment of the lease in whole or in part, as herein provided, the Lessee shall within a period of ninety (90) days (or such longer period as the Supervisor may authorize because of adverse climatic conditions) thereafter remove from the leased lands, no longer subject to the lease all structures, machinery, equipment, tools, and materials in accordance with applicable regulations and orders of the Supervisor. However, the Lessee shall, for a period of not more than six (6) months, continue to maintain any such property needed in the relinquished area, as determined by the Supervisor, for producing wells or for drilling or producing geothermal resources on other leases.

(b) Any structures, machinery, equipment, tools, appliances, and materials, subject to removal by the Lessee, as provided above, which are allowed to remain on the leased lands shall become the property of the Lessor on expiration of the 90-day period or any extension of that period which may be granted by the Supervisor. If the Supervisor directs the Lessee to remove such property, the Lessee shall do so at its own expense, or if it fails to do so within a reasonable period, the Lessor may do so at the Lessee's expense.

Sec. 25. REMEDIES IN CASE OF DEFAULT

(a) Whenever the Lessee fails to comply with any of the provisions of the Act, or the terms and stipulations of this lease, or of the regulations issued under the Act, or of any order issued pursuant to those regulations, and that default shall continue for a period of thirty (30) days after service of notice by the Lessor, the Lessor may (1) suspend operations until the requested action is taken to correct the noncompliance, or (2) cancel the lease in accordance with Sec. 12 of the Act (30 U.S.C. 1011). However, the 30-day notice provision applicable to this lease under Sec. 12 of the Act shall also apply as a prerequisite to the institution of any legal proceedings by the Lessor to cancel this lease while it is in a producing status. Nothing in this subsection shall be construed to apply to, or require any notice with respect to any legal action instituted by the Lessor other than an action to cancel the lease pursuant to Sec. 12 of the Act.

(b) Whenever the Lessee fails to comply with any of the provisions of the Act, or of this lease, or the regulations, or of any GRO Orders, or other orders, and immediate action is required, the Lessor without waiting for action by the Lessee may enter on the leased lands and take such measures as it may deem necessary to correct the failure, including a suspension of operations or production, all at the expense of the Lessee.

(c) A waiver of any particular violation of the provisions of the Act, or of this lease, or of any regulations promulgated by the Secretary under the Act, shall not prevent the cancellation of this lease or the exercise of any other remedy or remedies under paragraphs (a) and (b) of this section by reason of any other such violation, or for the same violation occurring at any other time.

(d) Nothing herein shall limit or affect the Lessee's right to a hearing and appeal as provided in Sec. 12 of the

Act and in the regulations promulgated thereunder.

(e) Upon cancellation, the Lessee shall remove all property in accordance with Sec. 24 hereof, and shall restore the leased lands in a manner acceptable to the Lessor or as may be otherwise required by the Lessor.

Sec. 26. HEIRS AND SUCCESSORS IN INTEREST - Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns, of the respective parties hereto.

Sec. 27. UNLAWFUL INTEREST - No Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, either before or after he has qualified, and during his continuance in office, and no officer, agent, or employee of the Department shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of Sec. 3741 of the Revised Statutes (41 U.S.C. Sec. 22), as amended, and Sections 431, 432, and 433 of Title 18 of the United States Code, relating to contracts made or entered into, or accepted by or on behalf of the United States, form a part of this lease so far as the same may be applicable.

Sec. 28. MONOPOLY AND FAIR PRICES - The Lessor reserves full power and authority to protect the public interest by promulgating and enforcing all orders necessary to insure the sale of the production from the leased lands at reasonable prices, to prevent monopoly, and to safeguard the public interest.

Sec. 29. EQUAL OPPORTUNITY CLAUSE - The Lessee agrees that, during the performance of this contract:

(1) The Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Lessor setting forth the provisions of this Equal Opportunity clause.

(2) The Lessee will, in all solicitations or advertisements for employees placed by or on behalf of the Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Lessee will send to each labor union or representative of workers with which Lessee has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Lessor, advising the labor union or workers' representative of the Lessee's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Secretary

of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Lessee's noncompliance with the Equal Opportunity clause of this lease or with any of said rules, regulations, or orders, this lease may be canceled, terminated or suspended in whole or in part and the Lessee may be declared ineligible for further Federal Government contracts or leases in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Lessee will include the provisions of Paragraphs (1) through (7) of this Section (29) in every contract, subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each contractor, subcontractor, or subcontract, or purchase order as the Secretary may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Lessee becomes involved in, or is threatened with, litigation with a contractor, subcontractor, or vendor as a result of such direction by the Secretary, the Lessee may request the Lessor to enter into such litigation to protect the interests of the Lessor.

Sec. 30. CERTIFICATION OF NONSEGREGATED FACILITIES - By entering into this lease, the Lessee certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Lessee agrees that a breach of this certification is a violation of the Equal Opportunity clause of this lease. As used in this certification, the term "segregated facilities" means, but is not limited to, any waiting rooms, work areas, rest rooms and wash rooms, or restaurants or other eating areas, time clocks, or locker rooms, and other storage or dressing rooms, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive, or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise. Lessee further agrees that (except where it has obtained identical certifications from proposed contractors and subcontractors for specific time periods) it will obtain identical certifications from proposed contractors and subcontractors prior to the award of contracts or subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that it will retain such certifications in its files; and that it will forward the following certification to such proposed contractors and subcontractors (except where the proposed contractor or subcontractor has submitted identical certifications for specific time periods); it will notify prospective contractors and subcontractors of requirement for certification of nonsegregated facilities. A Certification of Nonsegregated Facilities, as required by the May 9, 1967 Order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a contract or subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each contract and subcontract or for all contracts and subcontracts during a period (i.e., quarterly, semiannually, or annually).

Sec. 31. SPECIAL STIPULATIONS - (stipulations, if any, are attached hereto and made a part hereof)

The attached Fort Churchill-Clan Alpine Special Stipulations apply to all lands within this lease.

In witness whereof the parties have executed this lease.

Lessee: **REPUBLIC GEOTHERMAL, INC.**

By:

James H. [Signature]
(Signature of Lessee)
Vice President

(Signature of Lessee)

SEP 19 1977

SEAL

(Date)

THE UNITED STATES OF AMERICA, Lessor:

By

Roger A. Jarell
(Authorized Officer)

Chief, Lands & Minerals Operations

(Title)

OCT 19 1977

(Date)

FORT CHURCHILL-CLAN ALPINE
SPECIAL STIPULATIONS

The Lessee shall comply with the following special conditions and stipulations unless they are modified by mutual agreement of the Lessee, the Supervisor and the Authorized Officer:

1. Surface occupancy within 500 feet (horizontal measurement) of any canal, ditch, slough, pond, lake, spring, or open body of water may be restricted or denied where deemed necessary by the appropriate surface management agency to protect wildlife and other resources. Other buffer zones and areas of restricted surface occupancy may be required to protect other resource values, including but not limited to, critical or rare or endangered species habitat.
2. The certified statement required by Section 18 of the lease form must be completed by a qualified archaeologist, acceptable to the Authorized Officer.
3. The use of wide or balloon-tired vehicles and/or helicopters may be required for any activities in off-road areas where deemed necessary to protect the soil and other resources.
4. Springs and water developments on Federal lands may be used only with the prior written approval of the Authorized Officer.

A handwritten signature in dark ink, appearing to be 'JME', is located to the right of the list of stipulations.



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Nevada State Office
P.O. Box 12000 (1340 Financial Blvd.)
Reno, Nevada 89520-0006
<http://www.nv.blm.gov>



SEP 12 2007

In Reply Refer To:
N-43282X et al
3280/3282
3210/3220
NV923.d

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
7005 2570 0001 8534 6261

DECISION

Caithness Dixie Valley, LLC :
9590 Prototype Ct., Suite 200 : Geothermal
Reno, NV 89521 :

Unit and Participating Area Boundaries Expanded
Leases Consolidated Segregated and Expired

The geothermal leases listed below have been partially committed to the following Unit Agreement (UA) and or Participating Area (PA):

Dixie Valley Unit Agreement and Participating Area, N-43282X, N-4328201
(Unit Name)

May 1, 2007
(Commitment Date)

Caithness Dixie Valley, LLC
(Operator)

Departmental regulations 43 CFR 3210.10(1) provide for the segregation of leases committed in part to a unit agreement. Due to the unit expansion, the unitized lands are retained in the original lease; the non-unitized lands are segregated and assigned new serial numbers. The terms of leases included in the expansion of the UA are extended until such time as the subject unit terminates or if the lands are eliminated from the unit agreement (43 CFR 3208.10(4)). The anniversary date for all leases remains unchanged. Rental will be due on the next anniversary date of each lease located within the unit but outside of the PA. Leases or portions of leases within the PA will be subject to royalties. After expansion, lease N-17282 is totally within the Dixie Valley UA. The segregated leases expired on their own terms effective June 30, 2007. The descriptions of the base leases and the segregated leases are as follows:

N-17283A (unitized lands)
T. 24 N., R. 36 E., MDM, Nevada
sec. 22, all.

Containing 640.00 acres

N-84040 (nonunitized lands)
T. 24 N., R. 36 E., MDM, Nevada
sec. 20, E2;
sec. 21, all.
Containing 960.00 acres
Expired June 30, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0034
Expires: August 31, 1989

RECEIVED

JUL 26 1991

OXBOW GEOTHERMAL CORP

ASSIGNMENT OF RECORD TITLE INTEREST IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCESMineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.

N-17283-A

Lease Effective Date

(Anniversary Date)

November 1, 1977

New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* Oxbow Geothermal Corporation
Street 200 South Virginia Street, Suite 450
City, State, ZIP Code Reno, NV 89501*If more than one assignee, check here ☐ and list the name(s) and address(es) of all additional assignees on the reverse of this form or on a separate attached sheet of paper.This record title assignment is for: (Check one) ☐ Oil and Gas Lease, or ☒ Geothermal LeaseInterest conveyed: (Check one or both, as appropriate) ☒ Record Title, ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This assignment conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
Churchill County, Nevada Township 24 North, Range 36 East, MDM Section 20: E/2 Section 21: All Section 22: All Containing 1600.00 acres m/1	50%	50%	-0-	-0-	-0-

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

UNITED STATES OF AMERICA

This assignment is approved solely for administrative purposes. Approval does not warrant that either party to this assignment holds legal or equitable title to this lease.

☒ Assignment approved for above described lands;☐ Assignment approved for attached land description

Assignment approved effective JUL 1 1991

☐ Assignment approved for land description indicated on reverse of this form.Chief, Branch of Lands
& Minerals Operations

JUL 24 1991

N-17283A

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.

Assignee certifies as follows: (a) Assignee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or association of such citizens, nationals, resident aliens or private, public or municipal corporations. (b) Assignee is not considered a minor under the laws of the State in which the lands covered by this assignment are located; (c) Assignee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one State if this is a geothermal lease; (d) All parties holding an interest in the assignment are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Assignee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Assignee is not in violation of sec. 41 of the Mineral Leasing Act.

3. Assignee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

For geothermal assignments, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 24th day of May, 19 91

Executed this _____ day of _____, 19 _____

Name of Assignor as shown on current lease T.G.S. Associates - undivided 50% Interest

T.G.S. Associates

Please type or print

Oxbow Geothermal Corporation

Assignor

☒

(Signature)

Assignee

☒

(Signature)

~~XXXXXX~~ By: [Signature]

By:

(Signature)

~~XXXXXX~~ By: [Signature]

By:

(Signature)

149 Broadway, Suite 612

(Assignor's Address)

Oakland, CA 94612

(City)

(State)

(Zip Code)

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

NEVADA STATE OFFICE

850 Harvard Way
P.O. Box 12000
Reno, Nevada 89520

N-8488 et al
3210/3220
(NV-943.3)

DEC 30 1986

RECEIVED

DEC 31 1986

Certified Mail
Return Receipt Requested

OXBOW GEOTHERMAL CORP

DECISION

Oxbow Geothermal Corporation
200 South Virginia No. 450
Reno, NV 89501

:
: Geothermal Resources
:

LEASES EXTENDED

Washington Office Instruction Memorandum No. 85-63 provides policy for continuing geothermal leases committed to a unit containing a well capable of production committed to a bona fide sales contract.

The following geothermal leases committed to the Dixie Valley Unit meet the above criteria and are hereby extended for the duration of the unit.

Serial Number

N-8488	N-17283
N-8489	N-17283-A
N-8491	N-17284
N-8491-A	N-17285
N-14972	N-17286
N-14974	N-18398
N-14975	N-18399
N-14977	N-18400
N-14978	N-21454
N-14979	

If you have any questions, please call Joan Woodin at (702) 784-5703.

William K. Stowers

FOR

Marla B. Bohl, Chief
Branch of Lands and Minerals Operations

UNITED STATES-17283A
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0074
Expires: April 30, 1985

Serial No.	N-17283A
New Serial No.	

ASSIGNMENT AFFECTING RECORD TITLE
TO GEOTHERMAL RESOURCES LEASE
PART I

Oxbow Geothermal Corporation
200 South Virginia St.
Suite 450
Reno, Nevada 89501

OXBOW - RENO, NV
FAX # (702) 322-1362
TELEPHONE # (702) 322-1300

TO: _____

FAX # _____

FROM: _____

DATE: _____ PAGES: _____

The undersigned, as owner of 50% percent of record title of the above-designated geothermal resources lease issued effective (date) November 1, 1977, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment (43 CFR 3241.2-5)

T24N R36E MDB&M
Section 20: E½
Section 21: All
Section 22: All
Containing 1600.00 acres in Churchill County, Nevada

3. What part of assignor(s) record title interest is being conveyed to assignee? (Give percentage or share) 100%

4. What part of the record title interest is being retained by assignor(s)? None

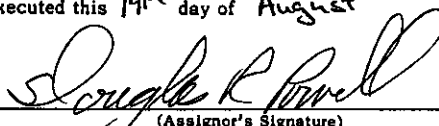
5a. What overriding royalty or production payments is the assignor reserving herein? (See Item 4 of General Instructions; specify percentage; no assignment will be approved which does not comply with 43 CFR 3241.7-2 on limitation of overriding royalties) None

b. What overriding royalties or production payments, if any, were previously reserved or conveyed? (Percentage only) See Exhibit A

It is agreed that the obligation to pay any overriding royalties or payments out of production of geothermal resources created herein, which, when added to overriding royalties or payments out of production previously created, aggregate in excess of 50 percent, of the rate of royalty due the United States, shall be suspended.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 19th day of August, 1986


(Assignor's Signature)
Vice President

Oxbow Geothermal Company
(Assignor's Address)
200 South Virginia St., Suite 450
Reno Nevada 89501
(City) (State) (Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

Assignment approved as to the lands described below:

SAME AS ITEM 2

Assignment approved effective SEP 01 1986

By 
(Authorized Officer)

Chief, Branch of Lands
& Minerals Operations
(Title)

SEP 16 1986
(Date)

NOTE: This form may be reproduced provided that copies are exact reproductions on one sheet of both sides of this official form in accordance with the provisions of 43 CFR 3241.2-4.

ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT

N-17283A


A. ASSIGNEE CERTIFIES THAT

1. Assignee is qualified to hold a geothermal resources lease under 43 CFR 3202.1
2. Assignee is ☐ Individual ☐ Municipality ☐ Association ☒ Corporation
3. Assignee is the sole party in interest in this assignment (information as to interests of other parties in this assignment must be furnished as prescribed in Specific Instructions)
4. Filing fee of \$50 is attached (See Item 2 of General Instructions)
5. Assignee's interests, direct and indirect, in geothermal resources leases, do not exceed 20,480 chargeable acres (43 CFR 3201.2)

B. ASSIGNEE AGREES to be bound by the terms and provisions of the lease described here, provided the assignment is approved by the Authorized Officer.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 19th day of August, 1996


(Assignee's Signature)
Vice President

Oxbow Geothermal Corporation
200 South Virginia St., Suite 450
Reno, Nevada 89501

(Address, include zip code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

GENERAL INSTRUCTIONS

1. *Use of form* - Use only for assignment of record title interest in geothermal resources leases, and for assignments of working or royalty interests, operating agreements, or subleases. An assignment of record title may only cover lands in one lease. If more than one assignment is made out of a lease, file a separate instrument of transfer with each assignment.
2. *Filing and number of copies* - File three (3) completed and manually signed copies in proper BLM office. A \$50 nonrefundable filing fee must accompany assignment. File assignment within ninety (90) days after date of final execution.
3. *Effective date of assignment* - Assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers.
4. *Overriding royalties or payments out of production* - Describe in an accompanying statement any overriding royalties or payments out of production created by assignment but not set out therein. If payments out of production are reserved by assignor, outline in detail the amount, method of payment, and other pertinent terms.
5. *Effect of assignment* - Approval of assignment of a definitely described portion of the leased lands creates separate leases. Assignee, upon approval of assignment, becomes lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions, including timely payment of annual rental and maintenance of any required bond; except in the case of assignment of undivided interests, royalties, and operating agreements.
6. A copy of the executed lease, out of which this assignment is made, should be made available to assignee by assignor.

SPECIFIC INSTRUCTIONS

(Items not specified are self-explanatory)

PART I

Item 1 - Type or print plainly, in ink, between and below heavy dots, the assignee's full name and mailing address, including zip code.

PART II

A. Certification of assignee

3. If assignee is an association or partnership, assignee must furnish a certified copy of its articles of association or partnership, with a statement that (a) it is authorized to hold geothermal resources leases; (b) that the person executing the assignment is authorized to act on behalf of the organization in such matters; and (c) names and addresses of members controlling more than 10 percent interest.

If assignee is a corporation, it must submit a statement containing the following information: (a) State in which it was incorporated; (b) that it is authorized to hold geothermal resources leases; (c) that officer executing assignment is authorized to act on behalf of the corporation in such matters; and (d) percentage of voting stock and percentage of all stock owned by aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is

owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings must be furnished.

If evidence of qualifications and ownership has previously been furnished as required by the above, reference by serial number of record in which it was filed together with a statement as to any amendments. Qualifications of assignee must be in full compliance with the regulations (43 CFR 3241.1-2).

4. *Statement of interests* - Assignee must indicate whether or not he is the sole party in interest in the assignment; if not, assignee must submit, at time assignment is filed, a signed statement giving the names of other interested parties. If there are other parties interested in the assignment, a separate statement must be signed by each assignee, giving the nature and extent of the interest of each, the nature of agreement between them, if oral; and a copy of agreement, if written. All interested parties must furnish evidence of their qualifications to hold such lease interests. Separate statements and written agreements, if any, must be filed with the filing of the assignment.

STATE OF NEVADA)
) ss
COUNTY OF WASHOE)

On this 19th day of August, A.D. 1986, personally appeared before me, a notary public in and for Washoe County, Douglas R. Powell, known to me to be the person(s) whose name is subscribed to the within instrument.

Jane M. Bianucci
Notary Public

My commission expires:

November 12, 1989



Exhibit A

N-17283A

W.M. Hughes, et al., have reserved a 5% ORRI on geothermal steam, and a 2-1/2% ORRI on dissolved minerals. (Created in assignment of 26-1/2% interest in lease).

Southland Royalty Company has reserved a Net Operating Profit ("NOP") interest of 5% until Oxbow recovers \$3,000,000.00 in gross profits; thereafter, NOP interest of 10% until Oxbow recovers \$6,000,000.00 in gross profits; thereafter, NOP interest of 15% until Southland recovers \$15,000,000.00.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N-17283A

FORM APPROVED OMB NO. 1004-0074 Expires: April 30, 1985
Serial No. N-17283-A
New Serial No.

ASSIGNMENT AFFECTING RECORD TITLE
TO GEOTHERMAL RESOURCES LEASE
PART I

1. Oxbow Geothermal Corporation
200 South Virginia St. Suite 450
Reno, NV 89501

The undersigned, as owner of 50% percent of record title of the above-designated geothermal resources lease issued effective (date) November 1, 1977, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment (43 CFR 3241.2-5)

Township 24N, Range 36E: MDM

Section 20: E/2
Section 21: A11
Section 22: A11

Containing 1,600.00 Acres, more or less, Churchill County, Nevada

3. What part of assignor(s) record title interest is being conveyed to assignee? (Give percentage or share) 100%
4. What part of the record title interest is being retained by assignor(s)? None
- 5a. What overriding royalty or production payments is the assignor reserving herein? (See Item 4 of General Instructions; specify percentage; no assignment will be approved which does not comply with 43 CFR 3241.7-2 on limitation of overriding royalties) Production Payment described on attached Exhibit "A"
- b. What overriding royalties or production payments, if any, were previously reserved or conveyed? (Percentage only) See Exhibits "B" and "C" attached

It is agreed that the obligation to pay any overriding royalties or payments out of production of geothermal resources created herein, which, when added to overriding royalties or payments out of production previously created, aggregate in excess of 50 percent, of the rate of royalty due the United States, shall be suspended.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 12th day of August, 1985

TRANS-PACIFIC GEOTHERMAL INC.

For Midair
(Assignor's Signature)

TRANS-PACIFIC GEOTHERMAL INC.

(Assignor's Address)

1419 Broadway Suite 415
Oakland, CA 94612

(City)

(State)

(Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

Assignment approved as to the lands described below:

SAME AS ITEM 2

Assignment approved effective OCT 01 1985

By

Marla B. Bohl
(Authorized Officer)

Chief, Branch of Lands
& Minerals Operations

(Title)

OCT 30 1985

(Date)

NOTE: This form may be reproduced provided that copies are exact reproductions on one sheet of both sides of this official form in accordance with the provisions of 43 CFR 3241.2-4.

ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT

A. ASSIGNEE CERTIFIES THAT

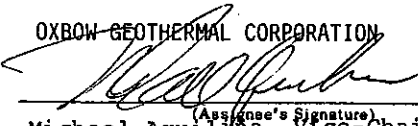
1. Assignee is qualified to hold a geothermal resources lease under 43 CFR 3202.1
2. Assignee is ☐ Individual ☐ Municipality ☐ Association ☒ Corporation
3. Assignee is the sole party in interest in this assignment (*information as to interests of other parties in this assignment must be furnished as prescribed in Specific Instructions*)
4. Filing fee of \$50 is attached (*See Item 2 of General Instructions*)
5. Assignee's interests, direct and indirect, in geothermal resources leases, do not exceed 20,480 chargeable acres (43 CFR 3201.2).

B. ASSIGNEE AGREES to be bound by the terms and provisions of the lease described here, provided the assignment is approved by the Authorized Officer.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 12th day of August, 1985

OXBOW GEOTHERMAL CORPORATION


(Assignee's Signature)
Michael Aquilina, Vice-Chairman
200 South Virginia St. Suite 450
Reno, NV 89501

(Address, include zip code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

GENERAL INSTRUCTIONS

1. *Use of form* - Use only for assignment of record title interest in geothermal resources leases, and for assignments of working or royalty interests, operating agreements, or subleases. An assignment of record title may only cover lands in one lease. If more than one assignment is made out of a lease, file a separate instrument of transfer with each assignment.
2. *Filing and number of copies* - File three (3) completed and manually signed copies in proper BLM office. A \$50 nonrefundable filing fee must accompany assignment. File assignment within ninety (90) days after date of final execution.
3. *Effective date of assignment* - Assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers.
4. *Overriding royalties or payments out of production* - Describe in an accompanying statement any overriding royalties or payments out of production created by assignment but not set out therein. If payments out of production are reserved by assignor, outline in detail the amount, method of payment, and other pertinent terms.
5. *Effect of assignment* - Approval of assignment of a definitely described portion of the leased lands creates separate leases. Assignee, upon approval of assignment, becomes lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions, including timely payment of annual rental and maintenance of any required bond; except in the case of assignment of undivided interests, royalties, and operating agreements.
6. A copy of the executed lease, out of which this assignment is made, should be made available to assignee by assignor.

SPECIFIC INSTRUCTIONS

(Items not specified are self-explanatory)

PART I

Item 1 - Type or print plainly, in ink, between and below heavy dots, the assignee's full name and mailing address, including zip code.

PART II

A. Certification of assignee

3. If assignee is an association or partnership, assignee must furnish a certified copy of its articles of association or partnership, with a statement that (a) it is authorized to hold geothermal resources leases; (b) that the person executing the assignment is authorized to act on behalf of the organization in such matters; and (c) names and addresses of members controlling more than 10 percent interest.

If assignee is a corporation, it must submit a statement containing the following information: (a) State in which it was incorporated; (b) that it is authorized to hold geothermal resources leases; (c) that officer executing assignment is authorized to act on behalf of the corporation in such matters; and (d) percentage of voting stock and percentage of all stock owned by aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is

owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings must be furnished.

If evidence of qualifications and ownership has previously been furnished as required by the above, reference by serial number of record in which it was filed together with a statement as to any amendments. Qualifications of assignee must be in full compliance with the regulations (43 CFR 3241.1-2).

4. *Statement of interests* - Assignee must indicate whether or not he is the sole party in interest in the assignment; if not, assignee must submit, at time assignment is filed, a signed statement giving the names of other interested parties. If there are other parties interested in the assignment, a separate statement must be signed by each assignee, giving the nature and extent of the interest of each, the nature of agreement between them, if oral; and a copy of agreement, if written. All interested parties must furnish evidence of their qualifications to hold such lease interests. Separate statements and written agreements, if any, must be filed with the filing of the assignment.

EXHIBIT A

Attached hereto and made a part of that certain
Letter Agreement dated as of August 21, 1984 by and between
Thermal Power Company and Trans-Pacific Geothermal, Inc.

Federal Lease Serial Number	Description
<u>North Block</u> <u>T24N-R36E, MDM</u>	
N-8392	Section 16: All
N-8392	Section 17: All
N-17283 A	Section 20: East 1/2
N-17283 A	Section 21: All
N-17283 A	Section 22: All
<u>South Block</u> <u>T23N-R35E, MDM</u>	
N-8498	Section 11: All
N-10706	Section 12: All
N-8498	Section 13: All
N-11583	Section 14: All

On each of the five leases listed above, TPC reserves a production payment of ten dollars (\$10.00) per net acre per year (i.e., five dollars \$5.00 per year for each acre held by TPC in each of the North and South Blocks), up to a total payment of \$1,000,000 for the North and South Blocks taken together, such payments to commence with respect to each Block at the time commercial production commences on the respective Block. Such payments shall only be made from actual revenues from production established on, therefrom, said production payments shall cease as to both the North and South Blocks, and TGI will have no further obligation to make any payments to TPC. In the event that the North Block and/or the South Block is unitized together with other lands, and production is allocated to the North Block and/or the South Block pursuant to such unitization agreement, whether or not there is actual production from the North Block or the South Block, the production payment payable hereunder shall be calculated by multiplying the production payment otherwise payable if there were actual production from such lands, by the respective percentage of unit production allocated to the North Block and/or the South Block, as the case may be.

the respective Block, and at the time the TPC has received an aggregate of 1 million

EXHIBIT "B"

- 1) 5% overriding royalty interest on the value of steam, or any other form of heat or other associated energy produced, processed, removed, sold or utilized from the lease;
- 2) 2½% overriding royalty interest on the value of any by-product derived from production from the lease or produced, processed, removed, sold or utilized from the lease; and,
- 3) 2½% overriding royalty interest on the value of commercially demineralized water which is produced from the lease.

EXHIBIT "C"

- (1) Southland Royalty Company reserves the following:
 - (i) A net operating profit interest of 5% until TGS Associates recovers \$3,000,000 in gross profits from the sale of geothermal resources produced from assets conveyed in that certain Agreement dated September 23, 1981 by and between Southland Royalty Company and TGS Associates, (hereafter called Agreement); and thereafter
 - (ii) A net operating profit interest of 10% until TGS Associates recovers \$6,000,000 in gross profit from the sale of geothermal resources produced from assets conveyed in that certain Agreement dated September 23, 1981 by and between Southland Royalty Company and TGS Associates; and thereafter
 - (iii) A net operating profit interest of 15% until Southland Royalty Company has received a total of \$15,000,000 in proceeds from the net operating profits interest.
- (2) At such time as Southland Royalty Company has recovered a total of \$15,000,000 from the net operating profit interest described in items (i), (ii) and (iii) above, the net operating profit shall cease.
- (3) The net operating profit interest shall be subject to and calculated in accordance with the terms of the Agreement.

UNITED STATES N-17283A
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

18876
Serial No.

N-17283A

New Serial No.

ASSIGNMENT AFFECTING RECORD TITLE
TO GEOTHERMAL RESOURCES LEASE
PART I

RECEIVED
Bureau of Land Management
NEVADA LAND OFFICE

1. TRANS-PACIFIC GEOTHERMAL, INC:00
1419 Broadway, Suite 612 A.M.
Oakland, CA 94612

SEP 11 1984

NEVADA STATE OFFICE
RENO, NEVADA

The undersigned, as owner of 50% percent of record title of the above-designated geothermal resources lease issued effective (date) November 1, 1977, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment (43 CFR 3241.2-5)

TOWNSHIP 24N, RANGE 36E: MDM

Section 20: E/2
Section 21: All
Section 22: All

Containing 1,600.00 Acres, more or less, Churchill County, Nevada

3. What part of assignor(s) record title interest is being conveyed to assignee? (Give percentage or share) 100%

4. What part of the record title interest is being retained by assignor(s)? NONE

5a. What overriding royalty or production payments is the assignor reserving herein? (See Item 4 of General Instructions; specify percentage; no assignment will be approved which does not comply with 43 CFR 3241.7-2 on limitation of overriding royalties) Production Payment described on attached Exhibit "A"

b. What overriding royalties or production payments, if any, were previously reserved or conveyed? (Percentage only) See Exhibits "B" and "C" attached.

It is agreed that the obligation to pay any overriding royalties or payments out of production of geothermal resources created herein, which, when added to overriding royalties or payments out of production previously created, aggregate in excess of 50 percent, of the rate of royalty due the United States, shall be suspended.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 2nd day of April, 1984

THERMAL POWER COMPANY

(Assignor's Signature)

W. L. D'Olier, Vice President

THERMAL POWER COMPANY

(Assignor's Address)

601 California Street
San Francisco, CA 94108
(City) (State) (Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

Assignment approved as to the lands described below:

SAME AS ITEM 2

Assignment approved effective OCT 01 1984

By

Marla B. Bell
(Authorized Officer)

Chief, Branch of Lands
& Minerals Operations

(Title)

FEB 06 1985

(Date)

PART II

N-17283A

ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT

A. ASSIGNEE CERTIFIES THAT

1. Assignee is qualified to hold a geothermal resources lease under 43 CFR 3202.1
2. Assignee is ☐ Individual ☐ Municipality ☐ Association ☒ Corporation
3. Assignee is the sole party in interest in this assignment (information as to interests of other parties in this assignment must be furnished as prescribed in Specific Instructions)
4. Filing fee of \$50 is attached (See Item 2 of General Instructions)
5. Assignee's interests, direct and indirect, in geothermal resources leases, do not exceed 20,480 chargeable acres (43 CFR 3201.2)

B. ASSIGNEE AGREES to be bound by the terms and provisions of the lease described here, provided the assignment is approved by the Authorized Officer.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 30 day of August, 1984

TRANS-PACIFIC GEOTHERMAL, INC.

Tsvi Meidav

(Assignee's Signature)

Tsvi Meidav, President

Trans-Pacific Geothermal, Inc.
1419 Broadway, Suite 612
Oakland, CA 94612

(Address, include zip code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

GENERAL INSTRUCTIONS

1. *Use of form* - Use only for assignment of record title interest in geothermal resources leases, and for assignments of working or royalty interests, operating agreements, or subleases. An assignment of record title may only cover lands in one lease. If more than one assignment is made out of a lease, file a separate instrument of transfer with each assignment.
2. *Filing and number of copies* - File three (3) completed and manually signed copies in proper BLM office. A \$50 nonrefundable filing fee must accompany assignment. File assignment within ninety (90) days after date of final execution.
3. *Effective date of assignment* - Assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers.
4. *Overriding royalties or payments out of production* - Describe in an accompanying statement any overriding royalties or payments out of production created by assignment but not set out therein. If payments out of production are reserved by assignor, outline in detail the amount, method of payment, and other pertinent terms.
5. *Effect of assignment* - Approval of assignment of a definitely described portion of the leased lands creates separate leases. Assignee, upon approval of assignment, becomes lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions, including timely payment of annual rental and maintenance of any required bond; except in the case of assignment of undivided interests, royalties, and operating agreements.
6. A copy of the executed lease, out of which this assignment is made, should be made available to assignee by assignor.

SPECIFIC INSTRUCTIONS

(Items not specified are self-explanatory)

PART I

Item 1 - Type or print plainly, in ink, between and below heavy dots, the assignee's full name and mailing address, including zip code.

PART II

A. Certification of assignee

3. If assignee is an association or partnership, assignee must furnish a certified copy of its articles of association or partnership, with a statement that (a) it is authorized to hold geothermal resources leases; (b) that the person executing the assignment is authorized to act on behalf of the organization in such matters; and (c) names and addresses of members controlling more than 10 percent interest.

If assignee is a corporation, it must submit a statement containing the following information: (a) State in which it was incorporated; (b) that it is authorized to hold geothermal resources leases; (c) that officer executing assignment is authorized to act on behalf of the corporation in such matters; and (d) percentage of voting stock and percentage of all stock owned by aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is

owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings must be furnished.

If evidence of qualifications and ownership has previously been furnished as required by the above, reference by serial number of record in which it was filed together with a statement as to any amendments. Qualifications of assignee must be in full compliance with the regulations (43 CFR 3241.1-2).

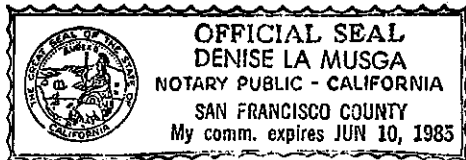
4. *Statement of interests* - Assignee must indicate whether or not he is the sole party in interest in the assignment; if not, assignee must submit, at time assignment is filed, a signed statement giving the names of other interested parties. If there are other parties interested in the assignment, a separate statement must be signed by each assignee, giving the nature and extent of the interest of each, the nature of agreement between them, if oral; and a copy of agreement, if written. All interested parties must furnish evidence of their qualifications to hold such lease interests. Separate statements and written agreements, if any, must be filed with the filing of the assignment.

STATE OF CALIFORNIA

))
SS.

City and County of San Francisco)

On April 2nd, 1984, before me the undersigned, a Notary Public in and for the said State, personally appeared W. L. D'Olier personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Vice President on behalf of the corporation therein named and acknowledged to me that the corporation executed it.



Denise La Musga
Notary Public in and for said State

EXHIBIT A

Attached hereto and made a part of that certain
Letter Agreement dated as of August 21, 1984 by and between
Thermal Power Company and Trans-Pacific Geothermal, Inc.

<u>Federal Lease Serial Number</u>	<u>Description</u>
<u>North Block</u>	
<u>T24N-R36E, MDM</u>	
N-8392	Section 16: All
N-8392	Section 17: All
N-17283 A	Section 20: East 1/2
N-17283 A	Section 21: All
N-17283 A	Section 22: All
<u>South Block</u>	
<u>T23N-R35E, MDM</u>	
N-8498	Section 11: All
N-10706	Section 12: All
N-8498	Section 13: All
N-11583	Section 14: All

On each of the five leases listed above, TPC reserves a production payment of ten dollars (\$10.00) per net acre per year (i.e., five dollars \$5.00 per year for each acre held by TPC in each of the North and South Blocks), up to a total payment of \$1,000,000 for the North and South Blocks taken together, such payments to commence with respect to each Block at the time commercial production commences on the respective Block. Such payments shall only be made from actual revenues from production established on, therefrom, said production payments shall cease as to both the North and South Blocks, and TGI will have no further obligation to make any payments to TPC. In the event that the North Block and/or the South Block is unitized together with other lands, and production is allocated to the North Block and/or the South Block pursuant to such unitization agreement, whether or not there is actual production from the North Block or the South Block, the production payment payable hereunder shall be calculated by multiplying the production payment otherwise payable if there were actual production from such lands, by the respective percentage of unit production allocated to the North Block and/or the South Block, as the case may be.

the respective
Block, and at
the time TPC has
received an
aggregate of
1 million

EXHIBIT "B"

- 1) 5% overriding royalty interest on the value of steam, or any other form of heat or other associated energy produced, processed, removed, sold or utilized from the lease;
- 2) 2½% overriding royalty interest on the value of any by-product derived from production from the lease or produced, processed, removed, sold or utilized from the lease; and,
- 3) 2½% overriding royalty interest on the value of commercially demineralized water which is produced from the lease.

EXHIBIT "C"

- (1) Southland Royalty Company reserves the following:
 - (i) A net operating profit interest of 5% until TGS Associates recovers \$3,000,000 in gross profits from the sale of geothermal resources produced from assets conveyed in that certain Agreement dated September 23, 1981 by and between Southland Royalty Company and TGS Associates, (hereafter called Agreement); and thereafter
 - (ii) A net operating profit interest of 10% until TGS Associates recovers \$6,000,000 in gross profit from the sale of geothermal resources produced from assets conveyed in that certain Agreement dated September 23, 1981 by and between Southland Royalty Company and TGS Associates; and thereafter
 - (iii) A net operating profit interest of 15% until Southland Royalty Company has received a total of \$15,000,000 in proceeds from the net operating profits interest.
- (2) At such time as Southland Royalty Company has recovered a total of \$15,000,000 from the net operating profit interest described in items (i), (ii) and (iii) above, the net operating profit shall cease.
- (3) The net operating profit interest shall be subject to and calculated in accordance with the terms of the Agreement.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N-17283-A

Serial No.

N-17283-A

New Serial No.

18876

ASSIGNMENT AFFECTING RECORD TITLE
TO GEOTHERMAL RESOURCES LEASE
PART I

1 1982

TGS ASSOCIATES c/o Trans-Pacific Geothermal, Inc.
1419 Broadway, Suite 612
Oakland, California 94612

The undersigned, as owner of 50% percent of record title of the above-designated geothermal resources lease issued effective (date) November 1, 1977, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment (43 CFR 3241.2-5)
Township 24 North, Range 36 East; Mount Diablo Meridian

Section 20: E $\frac{1}{2}$;
Section 21: All;
Section 22: All.

Containing 1,600.00 Acres, more or less, located in Churchill County, Nevada.

3. What part of assignor(s) record title interest is being conveyed to assignee? (Give percentage or share) 100%

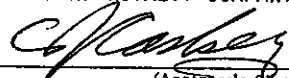
4. What part of the record title interest is being retained by assignor(s)? NONE

- 5a. What overriding royalty or production payments is the assignor reserving herein? (See Item 4 of General Instructions; specify percentage; no assignment will be approved which does not comply with 43 CFR 3231.7-2 on limitation of overriding royalties) See Exhibit "B" attached to and made part of this Assignment.
b. What overriding royalties or production payments, if any, were previously reserved or conveyed? (Percentage only) See Exhibit "A" attached to and made part of this Assignment.


It is agreed that the obligation to pay any overriding royalties or payments out of production of geothermal resources created herein, which, when added to overriding royalties or payments out of production previously created, aggregate in excess of 50 percent, of the rate of royalty due the United States, shall be suspended.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 21st day of October, 1981.
SOUTHLAND ROYALTY COMPANY


(Assignor's Signature)
C. J. CASKEY, Vice President

1000 Fort Worth Club Tower
(Assignor's Address)

ATTEST: 
Asst. Secretary

Fort Worth TX 76102
(City) (State) Zip Code

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

Assignment approved as to the lands described below:

SAME AS ITEM 2

Assignment approved effective DEC 01 1981

By 
(Authorized Officer)

Chief, Branch of Lands
& Minerals Operations

APR 30 1982

(Title)

(Date)

NOTE: This form may be reproduced provided that copies are exact reproductions on one sheet of both sides of this official form in accordance with the provisions of 43 CFR 3241.2-4.

ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT

A. ASSIGNEE CERTIFIES THAT

1. Assignee is qualified to hold a geothermal resources lease under 43 CFR 3202.1
2. Assignee is ☐ Individual ☐ Municipality ☒ Association ☐ Corporation
3. Assignee is the sole party in interest in this assignment (information as to interests of other parties in this assignment must be furnished as prescribed in Specific Instructions)
4. Filing fee of \$50 is attached (See Item 2 of General Instructions)
5. Assignee's interests, direct and indirect, in geothermal resources leases, do not exceed 20,480 chargeable acres (43 CFR 3201.2)

B. ASSIGNEE AGREES to be bound by the terms and provisions of the lease described here, provided the assignment is approved by the Authorized Officer.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 30th day of October, 1981

TGS ASSOCIATES

By: TRANS-PACIFIC GEOTHERMAL, INC.

H. (General Partner) *H. Tsvi Meidav*
(Assignee's Signature)

H. TSVI MEIDAV (PRESIDENT)

TGS ASSOCIATES

c/o TRANS-PACIFIC GEOTHERMAL, INC.
1419 Broadway

San Francisco, CA 94102 (Add zip code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

GENERAL INSTRUCTIONS

1. Use of form - Use only for assignment of record title interest in geothermal resources leases, and for assignments of working or royalty interests, operating agreements, or subleases. An assignment of record title may only cover lands in one lease. If more than one assignment is made out of a lease, file a separate instrument of transfer with each assignment.
2. Filing and number of copies - File three (3) completed and manually signed copies in proper BLM office. A \$50 nonrefundable filing fee must accompany assignment. File assignment within ninety (90) days after date of final execution.
3. Effective date of assignment - Assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers.
4. Overriding royalties or payments out of production - Describe in an accompanying statement any overriding royalties or payments out of production created by assignment but not set out therein. If payments out of production are reserved by assignor, outline in detail the amount, method of payment, and other pertinent terms.
5. Effect of assignment - Approval of assignment of a definitely described portion of the leased lands creates separate leases. Assignee, upon approval of assignment, becomes lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions, including timely payment of annual rental and maintenance of any required bond; except in the case of assignment of undivided interests, royalties, and operating agreements.
6. A copy of the executed lease, out of which this assignment is made, should be made available to assignee by assignor.

SPECIFIC INSTRUCTIONS

(Items not specified are self-explanatory)

PART I

Item 1 - Type or print plainly, in ink, between and below heavy dots, the assignee's full name and mailing address, including zip code.

PART II

A. Certification of assignee

3. If assignee is an association or partnership, assignee must furnish a certified copy of its articles of association or partnership, with a statement that (a) it is authorized to hold geothermal resources leases; (b) that the person executing the assignment is authorized to act on behalf of the organization in such matters; and (c) names and addresses of members controlling more than 10 percent interest.

If assignee is a corporation, it must submit a statement containing the following information: (a) State in which it was incorporated; (b) that it is authorized to hold geothermal resources leases; (c) that officer executing assignment is authorized to act on behalf of the corporation in such matters; and (d) percentage of voting stock and percentage of all stock owned by aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is

owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings must be furnished.

If evidence of qualifications and ownership has previously been furnished as required by the above, reference by serial number of record in which it was filed together with a statement as to any amendments. Qualifications of assignee must be in full compliance with the regulations (43 CFR 3241.1-2).

4. Statement of interests - Assignee must indicate whether or not he is the sole party in interest in the assignment; if not, assignee must submit, at time assignment is filed, a signed statement giving the names of other interested parties. If there are other parties interested in the assignment, a separate statement must be signed by each assignee, giving the nature and extent of the interest of each, the nature of agreement between them, if oral; and a copy of agreement, if written. All interested parties must furnish evidence of their qualifications to hold such lease interests. Separate statements and written agreements, if any, must be filed with the filing of the assignment.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No.

N-17283A

New Serial No.

Same

ASSIGNMENT AFFECTING RECORD TITLE
TO GEOTHERMAL RESOURCES LEASE
PART I

Thermal Power Company
601 California Street
San Francisco, California 94108

RECEIVED

MAY 18 1979

TPC

The undersigned, as owner of 100% percent of record title of the above-designated geothermal resources lease issued effective (date) November 1, 1977, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment (43 CFR 3241.2-5)

Township 24N-Range 36E MDM: Churchill County, Nevada

Section 20: E/2
Section 21: A11
Section 22: A11

3. What part of assignor(s) record title interest is being conveyed to assignee? (Give percentage or share) 50%

4. What part of the record title interest is being retained by assignor(s)? 50%

5a. What overriding royalty or production payments is the assignor reserving herein? (See Item 4 of General Instructions; specify percentage; no assignment will be approved which does not comply with 43 CFR 3231.7-2 on limitation of overriding royalties) None

b. What overriding royalties or production payments, if any, were previously reserved or conveyed? (Percentage only) 5% Geothermal Steam and 2% Dissolved Minerals

It is agreed that the obligation to pay any overriding royalties or payments out of production of geothermal resources created herein, which, when added to overriding royalties or payments out of production previously created, aggregate in excess of 50 percent, of the rate of royalty due the United States, shall be suspended.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 26th day of February
Southland Royalty Company

, 1979

By


(Assignor's Signature)

Southland Royalty Company
1000 Fort Worth Club Tower

(Assignor's Address)

C. J. Caskey, Vice President

Fort Worth, Texas 76102
(City) (State) (Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

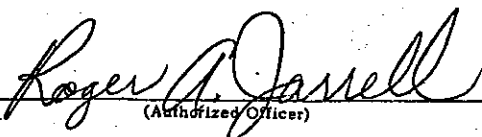
Assignment approved as to the lands described below:

Same as item 2.

Containing 1600.00 acres.

Assignment approved effective 4-1-79

By


(Authorized Officer)

Chief, Lands & Minerals Operations 5-15-79

(Title)

(Date)

NOTE: This form may be reproduced provided that copies are exact reproductions on one sheet of both sides of this official form in accordance with the provisions of 43 CFR 3241.2-4.

ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT

A. ASSIGNEE CERTIFIES THAT

1. Assignee is qualified to hold a geothermal resources lease under 43 CFR 3202.1
2. Assignee is ☐ Individual ☐ Municipality ☐ Association ☒ Corporation
3. Assignee is the sole party in interest in this assignment (*information as to interests of other parties in this assignment must be furnished as prescribed in Specific Instructions*)
4. Filing fee of \$50 is attached (*See Item 2 of General Instructions*)
5. Assignee's interests, direct and indirect, in geothermal resources leases, do not exceed 20,480 chargeable acres (43 CFR 3201.2)

B. ASSIGNEE AGREES to be bound by the terms and provisions of the lease described here, provided the assignment is approved by the Authorized Officer.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 8th day of March, 1979

THERMAL POWER COMPANY

By 

(Assignee's Signature)

W. L. D'Olier, Vice President

Thermal Power Company
601 California Street
San Francisco, California 94108

(Address, include zip code)

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GENERAL INSTRUCTIONS

1. *Use of form* - Use only for assignment of record title interest in geothermal resources leases, and for assignments of working or royalty interests, operating agreements, or subleases. An assignment of record title may only cover lands in one lease. If more than one assignment is made out of a lease, file a separate instrument of transfer with each assignment.
2. *Filing and number of copies* - File three (3) completed and manually signed copies in proper BLM office. A \$50 nonrefundable filing fee must accompany assignment. File assignment within ninety (90) days after date of final execution.
3. *Effective date of assignment* - Assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers.
4. *Overriding royalties or payments out of production* - Describe in an accompanying statement any overriding royalties or payments out of production created by assignment but not set out therein. If payments out of production are reserved by assignor, outline in detail the amount, method of payment, and other pertinent terms.
5. *Effect of assignment* - Approval of assignment of a definitely described portion of the leased lands creates separate leases. Assignee, upon approval of assignment, becomes lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions, including timely payment of annual rental and maintenance of any required bond; except in the case of assignment of undivided interests, royalties, and operating agreements.
6. A copy of the executed lease, out of which this assignment is made, should be made available to assignee by assignor.

SPECIFIC INSTRUCTIONS

(Items not specified are self-explanatory)

PART I

Item 1 - Type or print plainly, in ink, between and below heavy dots, the assignee's full name and mailing address, including zip code.

PART II

A. Certification of assignee

3. If assignee is an association or partnership, assignee must furnish a certified copy of its articles of association or partnership, with a statement that (a) it is authorized to hold geothermal resources leases; (b) that the person executing the assignment is authorized to act on behalf of the organization in such matters; and (c) names and addresses of members controlling more than 10 percent interest.

If assignee is a corporation, it must submit a statement containing the following information: (a) State in which it was incorporated; (b) that it is authorized to hold geothermal resources leases; (c) that officer executing assignment is authorized to act on behalf of the corporation in such matters; and (d) percentage of voting stock and percentage of all stock owned by aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is

owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings must be furnished.

If evidence of qualifications and ownership has previously been furnished as required by the above, reference by serial number of record in which it was filed together with a statement as to any amendments. Qualifications of assignee must be in full compliance with the regulations (43 CFR 3241.1-2).

4. *Statement of interests* - Assignee must indicate whether or not he is the sole party in interest in the assignment; if not, assignee must submit, at time assignment is filed, a signed statement giving the names of other interested parties. If there are other parties interested in the assignment, a separate statement must be signed by each assignee, giving the nature and extent of the interest of each, the nature of agreement between them, if oral; and a copy of agreement, if written. All interested parties must furnish evidence of their qualifications to hold such lease interests. Separate statements and written agreements, if any, must be filed with the filing of the assignment.

UNITED STATES N-17283A
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ASSIGNMENT AFFECTING RECORD TITLE
TO GEOTHERMAL RESOURCES LEASE
PART I

Southland Royalty Company
1000 Fort Worth Club Tower
Fort Worth, Texas 76102

Serial No.

N-17283

New Serial No.

N-17283-A

RECEIVED
BUREAU OF LAND MANAGEMENT
NEW YORK STATE OFFICE
JAN 18 AM 10 11

The undersigned, as owner of 73-1/2% percent of record title of the above-designated geothermal resources lease issued effective (date) November 1, 1977, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment (43 CFR 3241.2-5)

Township 24N-Range 36E MDM: Churchill County, Nevada

Section 20: E/2 + 320
Section 21: A11
Section 22: A11

= 1600

3. What part of assignor(s) record title interest is being conveyed to assignee? (Give percentage or share) 100%

4. What part of the record title interest is being retained by assignor(s)? None

5a. What overriding royalty or production payments is the assignor reserving herein? (See Item 4 of General Instructions; specify percentage; no assignment will be approved which does not comply with 43 CFR 3231.7-2 on limitation of overriding royalties) 5% Geothermal Steam, 2-1/2% Dissolved Minerals

b. What overriding royalties or production payments, if any, were previously reserved or conveyed? (Percentage only) None

It is agreed that the obligation to pay any overriding royalties or payments out of production of geothermal resources created herein, which, when added to overriding royalties or payments out of production previously created, aggregate in excess of 50 percent, of the rate of royalty due the United States, shall be suspended.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 16 day of January, 19 79


(Assignor's Signature)

W. M. Hughes, et al
618 Fair Foundation Building
(Assignor's Address)

James W. Hughes
Larry H. Clay

Tyler, Texas 75702
(City) (State) (Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

Assignment approved as to the lands described below:

T. 24 N., R. 36 E., MDM, Nevada - Churchill County

sec. 20, E1/2;

sec. 21, A11;

sec. 22, A11.

Containing 1600.00 acres.

Assignment approved effective 2/1/79

By William K. Thomas Acting
(Authorized Officer)

Chief, Lands &
Minerals Operations
(Title)

2/2/79
(Date)

NOTE: This form may be reproduced provided that copies are exact reproductions on one sheet of both sides of this official form in accordance with the provisions of 43 CFR 3241.2-4.

018876-00

PART II
N-17283A
ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT

A. ASSIGNEE CERTIFIES THAT

1. Assignee is qualified to hold a geothermal resources lease under 43 CFR 3202.1
2. Assignee is ☐ Individual ☐ Municipality ☐ Association ☒ Corporation
3. Assignee is the sole party in interest in this assignment (information as to interests of other parties in this assignment must be furnished as prescribed in Specific Instructions)
4. Filing fee of \$50 is attached (See Item 2 of General Instructions)
5. Assignee's interests, direct and indirect, in geothermal resources leases, do not exceed 20,480 chargeable acres (43 CFR 3201.2)

B. ASSIGNEE AGREES to be bound by the terms and provisions of the lease described here, provided the assignment is approved by the Authorized Officer.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 16 day of January, 1979


Vice President (Assignee's Signature)

Southland Royalty Company
1000 Fort Worth Club Tower
Fort Worth, Texas 76102

(Address, include zip code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

GENERAL INSTRUCTIONS

1. *Use of form* - Use only for assignment of record title interest in geothermal resources leases, and for assignments of working or royalty interests, operating agreements, or subleases. An assignment of record title may only cover lands in one lease. If more than one assignment is made out of a lease, file a separate instrument of transfer with each assignment.
2. *Filing and number of copies* - File three (3) completed and manually signed copies in proper BLM office. A \$50 nonrefundable filing fee must accompany assignment. File assignment within ninety (90) days after date of final execution.
3. *Effective date of assignment* - Assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers.
4. *Overriding royalties or payments out of production* - Describe in an accompanying statement any overriding royalties or payments out of production created by assignment but not set out therein. If payments out of production are reserved by assignor, outline in detail the amount, method of payment, and other pertinent terms.
5. *Effect of assignment* - Approval of assignment of a definitely described portion of the leased lands creates separate leases. Assignee, upon approval of assignment, becomes lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions, including timely payment of annual rental and maintenance of any required bond; except in the case of assignment of undivided interests, royalties, and operating agreements.
6. A copy of the executed lease, out of which this assignment is made, should be made available to assignee by assignor.

SPECIFIC INSTRUCTIONS

(Items not specified are self-explanatory)

PART I

Item 1 - Type or print plainly, in ink, between and below heavy dots, the assignee's full name and mailing address, including zip code.

PART II

A. Certification of assignee

3. If assignee is an association or partnership, assignee must furnish a certified copy of its articles of association or partnership, with a statement that (a) it is authorized to hold geothermal resources leases; (b) that the person executing the assignment is authorized to act on behalf of the organization in such matters; and (c) names and addresses of members controlling more than 10 percent interest.

If assignee is a corporation, it must submit a statement containing the following information: (a) State in which it was incorporated; (b) that it is authorized to hold geothermal resources leases; (c) that officer executing assignment is authorized to act on behalf of the corporation in such matters; and (d) percentage of voting stock and percentage of all stock owned by aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is

owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings must be furnished.

If evidence of qualifications and ownership has previously been furnished as required by the above, reference by serial number of record in which it was filed together with a statement as to any amendments. Qualifications of assignee must be in full compliance with the regulations (43 CFR 3241.1-2).

4. *Statement of interests* - Assignee must indicate whether or not he is the sole party in interest in the assignment; if not, assignee must submit, at time assignment is filed, a signed statement giving the names of other interested parties. If there are other parties interested in the assignment, a separate statement must be signed by each assignee, giving the nature and extent of the interest of each, the nature of agreement between them, if oral; and a copy of agreement, if written. All interested parties must furnish evidence of their qualifications to hold such lease interests. Separate statements and written agreements, if any, must be filed with the filing of the assignment.

UNITED STATES N-17283A
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No.

N-17283

New Serial No.

N-17283-A

ASSIGNMENT AFFECTING RECORD TITLE
TO GEOTHERMAL RESOURCES LEASE
PART I

Southland Royalty Company
1000 Fort Worth Club Tower
Fort Worth, Texas 76102

The undersigned, as owner of 26-1/2% percent of record title of the above-designated geothermal resources lease issued effective (date) November 1, 1977, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment (43 CFR 3241.2-5)

Township 24N-Range 36E MDM: Churchill County, Nevada

Section 20: E/2

Section 21: All

Section 22: All

3. What part of assignor(s) record title interest is being conveyed to assignee? (Give percentage or share) 100%

4. What part of the record title interest is being retained by assignor(s)? None

5a. What overriding royalty or production payments is the assignor reserving herein? (See Item 4 of General Instructions; specify percentage; no assignment will be approved which does not comply with 43 CFR 3231.7-2 on limitation of overriding royalties) 5% Geothermal Steam, 2-1/2% Dissolved Minerals

b. What overriding royalties or production payments, if any, were previously reserved or conveyed? (Percentage only) None

It is agreed that the obligation to pay any overriding royalties or payments out of production of geothermal resources created herein, which, when added to overriding royalties or payments out of production previously created, aggregate in excess of 50 percent, of the rate of royalty due the United States, shall be suspended.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 16 day of January, 19 79

Thomas W. Chy
(Assignor's Signature)

Millican Oil Company
908 Town & Country Boulevard
(Assignor's Address)

Houston, Texas 77024
(City) (State) (Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

Assignment approved as to the lands described below:

T. 24 N., R. 36 E., MDM, Nevada - Churchill County

sec. 20, E/2;

sec. 21, All;

sec. 22, All.

Containing 1600.00 acres.

Assignment approved effective

2/1/79

By

William K. Stowers Acting
(Authorized Officer)

Chief, Lands &
Minerals Operations

(Title)

2/2/79

(Date)

NOTE: This form may be reproduced provided that copies are exact reproductions on one sheet of both sides of this official form in accordance with the provisions of 43 CFR 3241.2-4.

018876-001

PART II

N-17283A

ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT


A. ASSIGNEE CERTIFIES THAT

1. Assignee is qualified to hold a geothermal resources lease under 43 CFR 3202.1
2. Assignee is ☐ Individual ☐ Municipality ☐ Association ☒ Corporation
3. Assignee is the sole party in interest in this assignment (information as to interests of other parties in this assignment must be furnished as prescribed in Specific Instructions)
4. Filing fee of \$50 is attached (See Item 2 of General Instructions)
5. Assignee's interests, direct and indirect, in geothermal resources leases, do not exceed 20,480 chargeable acres (43 CFR 3201.2)

B. ASSIGNEE AGREES to be bound by the terms and provisions of the lease described here, provided the assignment is approved by the Authorized Officer.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 16 day of January, 1979


Vice President (Assignee's Signature)

Southland Royalty Company
1000 Fort Worth Club Tower
Fort Worth, Texas 76102

(Address, include zip code)

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GENERAL INSTRUCTIONS

1. *Use of form* - Use only for assignment of record title interest in geothermal resources leases, and for assignments of working or royalty interests, operating agreements, or subleases. An assignment of record title may only cover lands in one lease. If more than one assignment is made out of a lease, file a separate instrument of transfer with each assignment.
2. *Filing and number of copies* - File three (3) completed and manually signed copies in proper BLM office. A \$50 nonrefundable filing fee must accompany assignment. File assignment within ninety (90) days after date of final execution.
3. *Effective date of assignment* - Assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers.
4. *Overriding royalties or payments out of production* - Describe in an accompanying statement any overriding royalties or payments out of production created by assignment but not set out therein. If payments out of production are reserved by assignor, outline in detail the amount, method of payment, and other pertinent terms.
5. *Effect of assignment* - Approval of assignment of a definitely described portion of the leased lands creates separate leases. Assignee, upon approval of assignment, becomes lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions, including timely payment of annual rental and maintenance of any required bond; except in the case of assignment of undivided interests, royalties, and operating agreements.
6. A copy of the executed lease, out of which this assignment is made, should be made available to assignee by assignor.

SPECIFIC INSTRUCTIONS

(Items not specified are self-explanatory)

PART I

Item 1 - Type or print plainly, in ink, between and below heavy dots, the assignee's full name and mailing address, including zip code.

PART II

A. Certification of assignee

3. If assignee is an association or partnership, assignee must furnish a certified copy of its articles of association or partnership, with a statement that (a) it is authorized to hold geothermal resources leases; (b) that the person executing the assignment is authorized to act on behalf of the organization in such matters; and (c) names and addresses of members controlling more than 10 percent interest.

If assignee is a corporation, it must submit a statement containing the following information: (a) State in which it was incorporated; (b) that it is authorized to hold geothermal resources leases; (c) that officer executing assignment is authorized to act on behalf of the corporation in such matters; and (d) percentage of voting stock and percentage of all stock owned by aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is

owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings must be furnished.

If evidence of qualifications and ownership has previously been furnished as required by the above, reference by serial number of record in which it was filed together with a statement as to any amendments. Qualifications of assignee must be in full compliance with the regulations (43 CFR 3241.1-2).

4. *Statement of interests* - Assignee must indicate whether or not he is the sole party in interest in the assignment; if not, assignee must submit, at time assignment is filed, a signed statement giving the names of other interested parties. If there are other parties interested in the assignment, a separate statement must be signed by each assignee, giving the nature and extent of the interest of each, the nature of agreement between them, if oral; and a copy of agreement, if written. All interested parties must furnish evidence of their qualifications to hold such lease interests. Separate statements and written agreements, if any, must be filed with the filing of the assignment.

UNITED STATES N-17283A
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No.

N-17283

New Serial No.

Same

ASSIGNMENT AFFECTING RECORD TITLE
TO GEOTHERMAL RESOURCES LEASE
PART I

W. M. Hughes

618 Fair Foundation Bldg.
Tyler, Texas 75702

RECEIVED
BUR OF LAND MANAGEMENT
NEVADA STATE OFFICE
1978 APR 26 AM 11 00

The undersigned, as owner of 100 percent of record title of the above-designated geothermal resources lease issued effective (date) Nov. 1, 1977, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment (43 CFR 3241.2-5)

T 24 N, R 36 E, Mount Diablo Meridian, Nevada
Sec. 19; Lots 1, 2, 3, 4, E 1/2, E 1/2 W 1/2 (ALL)
Sec. 20 ALL
Sec. 21, ALL
Sec. 22, ALL
Total Area: 2,542.92 Churchill County

1. What part of assignor(s) record title interest is being conveyed to assignee? (Give percentage or share) 73.5%

1. What part of the record title interest is being retained by assignor(s) 26.5%

1a. What overriding royalty or production payments is the assignor reserving herein? (See Item 4 of General Instructions; specify percentage; no assignment will be approved which does not comply with 43 CFR 3231.7-2 on limitation of overriding royalties) -0-

b. What overriding royalties or production payments, if any, were previously reserved or conveyed? (Percentage only) -0-

It is agreed that the obligation to pay any overriding royalties or payments out of production of geothermal resources created herein, which, when added to overriding royalties or payments out of production previously created, aggregate in excess of 50 percent, of the rate of royalty due the United States, shall be suspended.

CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 21st day of April, 1978

MILLICAN OIL COMPANY

By Thomas W. Clay, President
(Assignor's Signature)

Suite 400 - 908 Town & Country Blvd.

(Assignor's Address)

Houston TX

77024

(City)

(State)

(Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

Assignment approved as to the lands described below:

Same as item #2.

Assignment approved effective August 1, 1978

By

Roger A. Jarrell
(Authorized Officer)

Chief, Lands & Minerals Operations

7/31/78

(Title)

(Date)

ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT

A. ASSIGNEE CERTIFIES THAT

1. Assignee is qualified to hold a geothermal resources lease under 43 CFR 3202.1
2. Assignee is ☒ Individual ☐ Municipality ☐ Association ☐ Corporation
3. Assignee is the sole party in interest in this assignment (*information as to interests of other parties in this assignment must be furnished as prescribed in Specific Instructions*)
4. Filing fee of \$50 is attached (*See Item 2 of General Instructions*)
5. Assignee's interests, direct and indirect, in geothermal resources leases, do not exceed 20,480 chargeable acres (43 CFR 3201.2).

B. ASSIGNEE AGREES to be bound by the terms and provisions of the lease described here, provided the assignment is approved by the Authorized Officer.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 21st day of April, 1978

W. M. Hughes

(Assignee's Signature)

618 Fair Foundation Bldg.
Tyler, Texas 75702

(Address, include zip code)

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GENERAL INSTRUCTIONS

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2. *Filing and number of copies* - File three (3) completed and manually signed copies in proper BLM office. A \$50 nonrefundable filing fee must accompany assignment. File assignment within ninety (90) days after date of final execution.
3. *Effective date of assignment* - Assignment, if approved, takes effect, on the first day of the month following the date of filing of all required papers.
4. *Overriding royalties or payments out of production* - Describe in an accompanying statement any overriding royalties or payments out of production created by assignment but not set out therein. If payments out of production are reserved by assignor, outline in detail the amount, method of payment, and other pertinent terms.
5. *Effect of assignment* - Approval of assignment of a definitely described portion of the leased lands creates separate leases. Assignee, upon approval of assignment, becomes lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions, including timely payment of annual rental and maintenance of any required bond; except in the case of assignment of undivided interests, royalties, and operating agreements.
6. A copy of the executed lease, out of which this assignment is made, should be made available to assignee by assignor.

SPECIFIC INSTRUCTIONS

(Items not specified are self-explanatory)

PART I

Item 1 - Type or print plainly, in ink, between and below heavy dots, the assignee's full name and mailing address, including zip code.

PART II

A. Certification of assignee

3. If assignee is an association or partnership, assignee must furnish a certified copy of its articles of association or partnership, with a statement that (a) it is authorized to hold geothermal resources leases; (b) that the person executing the assignment is authorized to act on behalf of the organization in such matters; and (c) names and addresses of members controlling more than 10 percent interest.

If assignee is a corporation, it must submit a statement containing the following information: (a) State in which it was incorporated; (b) that it is authorized to hold geothermal resources leases; (c) that officer executing assignment is authorized to act on behalf of the corporation in such matters; and (d) percentage of voting stock and percentage of all stock owned by aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is

owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings must be furnished.

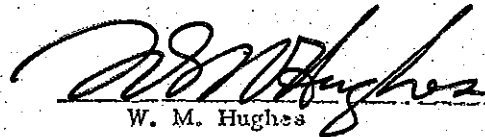
If evidence of qualifications and ownership has previously been furnished as required by the above, reference by serial number of record in which it was filed together with a statement as to any amendments. Qualifications of assignee must be in full compliance with the regulations (43 CFR 3241.1-2).

4. *Statement of interests* - Assignee must indicate whether or not he is the sole party in interest in the assignment; if not, assignee must submit, at time assignment is filed, a signed statement giving the names of other interested parties. If there are other parties interested in the assignment, a separate statement must be signed by each assignee, giving the nature and extent of the interest of each, the nature of agreement between them, if oral; and a copy of agreement, if written. All interested parties must furnish evidence of their qualifications to hold such lease interests. Separate statements and written agreements, if any, must be filed with the filing of the assignment.

STATEMENT OF PRIMARY ASSIGNEE

I, W. M. HUGHES, being named Assignee in the Assignment of Geothermal Resources Lease to which this statement is attached, certify that the interests in the beneficial ownership of this lease are as follows:

Jerry H. Clay	43%
W.M. Hughes	43%
James W. Knowles	14%

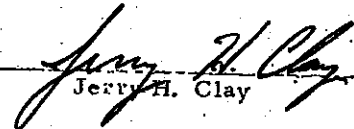

W. M. Hughes

RECEIVED
BUREAU OF LAND MANAGEMENT
NEVADA STATE OFFICE
1978 APR 25 AM 11 08 2

STATEMENT OF PARTY IN INTEREST

The undersigned party in interest in that certain Assignment of Geothermal Resources Lease to which this statement is attached does hereby certify that:

- 1) He is qualified to hold a Geothermal Resources Lease under 43 CFR 3202.1.
- 2) He is an individual.
- 3) He is a 43% party in interest as to the beneficial ownership under said Assignment.
- 4) His interests either direct or indirect in Geothermal Resources Leases do not exceed 20,480 chargeable acres.
- 5) He agrees to be bound by the terms and provisions of the lease described herein.
- 6) He certifies that the statements made herein are true, complete, and correct to the best of his knowledge and belief and are made in good faith.

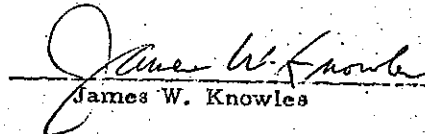

 Jerry H. Clay

RECEIVED
 BUREAU OF LAND MANAGEMENT
 NEVADA STATE OFFICE
 APR 11 1981
 AM

STATEMENT OF PARTY IN INTEREST

The undersigned party in interest in that certain Assignment of Geothermal Resources Lease to which this statement is attached does hereby certify that:

- 1) He is qualified to hold a Geothermal Resources Lease under CFR 3202.1.
- 2) He is an individual.
- 3) He is a 14% party in interest as to the beneficial ownership in said Assignment.
- 4) His interests either direct or indirect in Geothermal Resources Leases do not exceed 20,480 chargeable acres.
- 5) He agrees to be bound by the terms and provisions of the lease described herein.
- 6) He certifies that the statements made herein are true, complete, and correct to the best of his knowledge and belief and are made in good faith.


James W. Knowles

RECEIVED
BUREAU OF LAND MANAGEMENT
NEVADA STATE OFFICE
APR 26 11 08 AM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N-17283A

Serial Number N-17283

RECEIVED USGS - KGRA Determination:
Bureau of Land Management

GEOTHERMAL RESOURCES LEASE

☒ Competitive ☐ Noncompetitive

A. M.

SEP 26 1977

RECEIVED

Bureau of Land Management

NEVADA STATE OFFICE 10:00
RENO, NEVADA A. M.

OCT 19 1977

In consideration of the terms and conditions contained herein, and the grant made hereby, this lease is entered into by the UNITED STATES OF AMERICA (hereinafter called the "Lessor"), acting through the Bureau of Land Management (hereinafter called the "Bureau") of the Department of the Interior (hereinafter called the "Department"), and RENO, NEVADA

Millican Oil Company, 908 Town & Country Blvd., Suite 400, Houston, TX 77024

(hereinafter called the

"Lessee"). This lease is made pursuant to the Geothermal Steam Act of 1970 (84 Stat. 1566; 30 U.S.C. 1001-1025) (hereinafter called "the Act") to be effective on NOV 01 1977 (hereinafter called the "effective date"). It is subject to all the provisions of the Act and to all the terms, conditions, and requirements of (a) all regulations promulgated by the Secretary of the Interior (hereinafter called "the Secretary") in existence upon the effective date, specifically including, but not limited to, 43 CFR Parts 3000 and 3200 and 30 CFR Parts 270 and 271, (b) all geothermal resources operational orders (hereinafter called "GRO orders") issued pursuant thereto, all of which are incorporated herein and by reference made a part hereof, and (c) any regulations hereafter issued by the Secretary (except those inconsistent with any specific provisions of this lease other than regulations incorporated herein by reference) all of which shall be, upon their effective date, incorporated herein and, by reference, made a part hereof.

Sec. 1. GRANT - The Lessor hereby grants and leases to the Lessee the exclusive right and privilege to drill for, extract, produce, remove, utilize, sell, and dispose of geothermal steam and associated geothermal resources, (hereinafter called "geothermal resources"), in or under the following described lands situated within the County of Churchill State of Nevada

National Resource Lands		Acquired Lands	
T. 24 N.	R. 36 E. ; Mt. Diablo Meridian	T. ; R. ; Meridian	
sec. 19:	Lots 1,2,3,4, E ₁ , E ₂ , E ₃ (A11);		
sec. 20:	A11;		
sec. 21:	A11;		
sec. 22:	A11.		
Total Area 2,542.92		Total Area	

Containing 2,542.92 acres (hereinafter called the "leased area" or "leased lands"), together with:

(a) The nonexclusive right to conduct within the leased area geological and geophysical exploration in accordance with applicable regulations; and

(b) The right to construct or erect and to use, operate, and maintain within the leased area, together with ingress and egress thereupon all wells, pumps, pipes, pipelines, buildings, plants, sumps, brine pits, reservoirs, tanks, waterworks, pumping stations, roads, electric power generating plants, transmission lines, industrial facilities, electric, telegraph or telephone lines, and such other works and structures and to use so much of the surface of the land as may be necessary or reasonably convenient for the production, utilization, and processing of geothermal resources or to the full enjoyment of the rights granted by this lease, subject to compliance with applicable laws and regulations; *Provided that*, although the use of the leased area for an electric power generating plant or transmission facilities or a commercial or industrial facility is authorized hereunder, the location of such facilities and the terms of occupancy therefor shall be under separate instruments issued under any applicable laws and regulations; and

(c) The nonexclusive right to drill potable water wells in accordance with state water laws within the leased area and to use the water produced therefrom for operations on the leased lands free of cost, provided that such drilling and development are conducted in accordance with procedures approved by the Supervisor of the Geological Survey (hereinafter called "Supervisor"); and

(d) The right to convert this lease to a mineral lease under the Mineral Leasing Act of February 25, 1920, as amended, and supplemented (30 U.S.C. 181-287) or under the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), whichever is appropriate, if the leasehold is primarily valuable for the production of one or more valuable by-products which are leasable under those statutes, and the lease is incapable of commercial production or utilization of geothermal steam; *Provided that*, an application is made therefor prior to the expiration of the lease extension by reason of by-product production as hereinafter provided, and subject to all the terms and conditions of said appropriate Acts. The Lessee is also granted the right to locate mineral deposits under the mining laws (30 U.S.C. 21-54), which would constitute by-products if commercial production or utilization of geothermal steam continued, but such a location to be valid must be completed within ninety (90) days after the termination of this lease. Any conversion of this lease to a mineral lease or a mining claim is contingent on the availability of such lands for this purpose at the time of the conversion. If the lands are withdrawn or acquired in aid of a function of any Federal Department or agency, the mineral lease or mining claim shall be subject to such additional terms and conditions as may be prescribed by such Department or agency for the purpose of making operations thereon consistent with the purposes for which these lands are administered; and

(e) The right, without the payment of royalties hereunder, to reinject into the leased lands geothermal resources and condensates to the extent that such resources and condensates are not utilized, but their reinjection is necessary for operations under this lease in the recovering or processing of geothermal resources. If the Lessee, pursuant to any approved plan, disposes of the unusable brine and produced waste products into underlying formations, he may do so without the payment of royalties.

Sec. 2. TERM

(a) This lease shall be for a primary term of ten (10) years from the effective date and so long thereafter as geothermal steam is produced or utilized in commercial quantities but shall in no event continue for more than forty (40) years after the end of the primary term. However, if at the end of that forty-year period geothermal steam is being produced or utilized in commercial quantities, and the leased lands are not needed for other purposes, the Lessee shall have a preferential right to a renewal of this lease for a second forty-year term in accordance with such terms and conditions as the Lessor deems appropriate.

(b) If actual drilling operations are commenced on the leased lands or under an approved plan or agreement on behalf of the leased lands prior to the end of the primary term,

and are being diligently prosecuted at the end of the primary term, this lease shall be extended for five (5) years and so long thereafter, but not more than thirty-five (35) years, as geothermal steam is produced or utilized in commercial quantities. If at the end of such extended term geothermal steam is being produced or utilized in commercial quantities, the Lessee shall have a preferential right to a renewal for a second term as in (a) above.

(c) If the Lessor determines at any time after the primary term that this lease is incapable of commercial production and utilization of geothermal steam, but one or more valuable by-products are or can be produced in commercial quantities, this lease shall be extended for so long as such by-products are produced in commercial quantities but not for more than five (5) years from the date of such determination.

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Sec. 3. RENTALS AND ROYALTIES

(a) **Annual Rental** - For each lease year prior to the commencement of production of geothermal resources in commercial quantities on the leased lands, the Lessee shall pay the Lessor on or before the anniversary date of the lease a rental of \$2.00 for each acre or fraction thereof.

(b) **Escalating Rental** - Beginning with the sixth lease year and for each year thereafter until the lease year beginning on or after the commencement of production of geothermal resources in commercial quantities, the Lessee shall pay on or before the anniversary date of the lease an escalating rental in an amount per acre or fraction thereof equal to the rental per acre for the preceding year and an additional sum of one (1) dollar per acre or fraction thereof. If the lease is extended beyond ten (10) years for reasons other than the commencement of production of geothermal resources in commercial quantities, the rental for the eleventh year and for each lease year thereafter until the lease year beginning on or after the commencement of such production will be the amount of rental for the tenth lease year. If any expenditures are made in any lease year for diligent exploration on the leased lands in excess of the minimum required expenditures for that year, the excess may be credited against any rentals in excess of \$2.00 per acre or fraction thereof due the Lessor for that or any future year.

(c) **Royalty** - On or before the last day of the calendar month after the month of commencement of production in commercial quantities of geothermal resources and thereafter on a monthly basis, the Lessee shall pay to the Lessor:

(1) A royalty of 10 percent on the amount or value of steam, or any other form of heat or other associated energy produced, processed, removed, sold, or utilized from this lease or reasonably susceptible to sale or utilization by the Lessee.

(2) A royalty of 5 percent of the value of any by-product derived from production under this lease, produced, processed, removed, sold, or utilized from this lease or reasonably susceptible of sale or utilization by the Lessee, except that as to any by-product which is a mineral named in Sec. 1 of the Mineral Leasing Act of February 25, 1920, as amended, (30 U.S.C. 181), the rate of royalty for such mineral shall be the same as that provided in that statute and the maximum rate of royalty for such mineral shall not exceed the maximum royalty applicable under that statute.

(3) A royalty of 5 percent of the value of commercially demineralized water which has been produced from the leased lands, and has been sold or utilized by the Lessee or is reasonably susceptible of sale or utilization by the Lessee. In no event shall the Lessee pay to the Lessor, for the lease year beginning on or after the commencement of production in commercial quantities on the leased lands or any subsequent lease year, a royalty of less than two (2) dollars per acre or fraction thereof. If royalty paid on production during the lease year has not satisfied this requirement, the Lessee shall pay the difference on or before the expiration date of the lease year for which it is paid.

(d) **Waiver and Suspension of Rental and Royalties** - Rentals or royalties may be waived, suspended, or reduced pursuant to the applicable regulations on the entire leasehold or any portion thereof in the interest of conservation or for the purpose of encouraging the greatest ultimate recovery of geothermal resources if the Lessor determines that it is necessary to do so to promote such development, or because the lease cannot be successfully operated under the terms fixed herein.

(e) **Undivided Fractional Interests** - Where the interest of the Lessor in the geothermal resources underlying any tract or tracts described in Sec. 1 is an undivided fractional interest, the rentals and royalties payable on account of each such tract shall be in the same proportion to the rentals and royalties provided in this lease as the individual fractional interest of the Lessor in the geothermal resources underlying such tract is to the full fee interest.

(f) **Readjustments** - Rentals and royalties hereunder may be readjusted in accordance with the Act and regulations to rates not in excess of the rates provided therein, and at not less than twenty (20) year intervals beginning thirty-five (35) years after the date geothermal steam is produced from the lease as determined by the Supervisor.

Sec. 4. **PAYMENTS** - It is expressly understood that the Secretary may establish the values and minimum values of geothermal resources to compute royalties in accordance with the applicable regulations. Unless otherwise directed by the Secretary, all payments to the Lessor will be made as required by the regulations. If there is no well on the leased lands capable of producing geothermal resources in commercial quantities, the failure to pay rental on or before the anniversary date shall cause the lease to terminate by operation of law except as provided by Sec. 3244.2 of the regulations. If the time for payment falls on a day on which the proper office to receive payment is closed, payment shall be deemed to be made on time if made on the next official working day.

Sec. 5. **BONDS** - The Lessee shall file with the Authorized Officer of the Bureau (hereinafter called the "Authorized Officer") shall maintain at all times the bonds required under the regulations to be furnished as a condition to the issuance of this lease or prior to entry on the leased lands in the amounts established by the Lessor and to furnish such additional bonds or security as may be required by the Lessor upon entry on the lands or after operations or production have begun.

Sec. 6. WELLS

(a) The Lessee shall drill and produce all wells necessary to protect the leased land from drainage by operations on lands not the property of the Lessor, or other lands of the Lessor leased at a lower royalty rate, or on lands as to which royalties and rentals are paid into different lands from those

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into which royalties under this lease are paid. However, in lieu of any part of such drilling and production, with the consent of the Supervisor, the Lessee may compensate the Lessor in full each month for the estimated loss of royalty through drainage in the amount determined by said Supervisor.

(b) At the Lessee's election, and with the approval of the Supervisor, the Lessee shall drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized by applicable law.

(c) After due notice in writing, the Lessee shall diligently drill and produce such wells as the Supervisor shall require so that the leased lands may be properly and timely developed and for the production of geothermal steam and its by-products, including commercially demineralized water for beneficial uses in accordance with applicable state laws. However, the Supervisor may waive or modify the requirements of this subparagraph (c) in the interest of conservation of natural resources or for economic feasibility or other reasons satisfactory to him. If the products or by-products of geothermal production from wells drilled on this lease are susceptible of producing commercially demineralized water for beneficial uses, and a program therefore is not initiated with due diligence, the Lessor may at its option elect to take such products or by-products and the Lessee shall deliver all or any portion thereof to the Lessor at any point in the Lessee's geothermal gathering or disposal system without cost to the Lessee, if the Lessee's activities, under the lease, would not be impaired and such delivery would otherwise be consistent with field and operational requirements. The retention of this option by the Lessor shall in no way relieve the Lessee from the duty of producing commercially demineralized water where required to do so by the Lessor, except when the option is being exercised and then only with respect to wells where it is being exercised, or limit the Lessor's right to take any action under Sec. 25 to enforce that requirement.

Sec. 7. **INSPECTION** - The Lessee shall keep open at all reasonable times for the inspection of any duly authorized representative of the Lessor the leased lands and all wells, improvements, machinery, and fixtures thereon and all production reports, maps, records, books, and accounts relative to operations under the lease, and well logs, surveys, or investigations of the leased lands.

Sec. 8. **CONDUCT OF OPERATIONS** - The Lessee shall conduct all operations under this lease in a workmanlike manner and in accordance with all applicable statutes, regulations, and GRO orders, and all other appropriate directives of the Lessor to prevent bodily injury, danger to life or health, or property damage, and to avoid the waste of resources, and shall comply with all requirements which are set forth in 43 CFR Group 3200, including, but not limited to, Subpart 3204, or which may be prescribed by the Lessor pursuant to the regulations, and with the special stipulations which are attached to the lease, all of which are specifically incorporated into this lease. A breach of any term of this lease, including the stipulations attached hereto, will be subject to all the provisions of this lease with respect to remedies in case of default. Where any stipulation is inconsistent with a regular provision of this lease, the stipulation shall govern.

Sec. 9. INDEMNIFICATION

(a) The Lessee shall be liable to the Lessor for any damage suffered by the Lessor in any way arising from or connected with the Lessee's activities and operations conducted pursuant to this lease, except where damage is caused by employees of the Lessor acting within the scope of their authority.

(b) The Lessee shall indemnify and hold harmless the Lessor from all claims arising from or connected with the Lessee's activities and operations under this lease.

(c) In any case where liability without fault is imposed on the Lessee pursuant to this section, and the damages involved were caused by the action of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damage occurred.

Sec. 10. **CONTRACTS FOR SALE OR DISPOSAL OF PRODUCTS** - The Lessee shall file with the Supervisor not later than thirty (30) days after the effective date thereof any contract, or evidence of other arrangement for the sale or disposal of geothermal resources.

Sec. 11. **ASSIGNMENT OF LEASE OR INTEREST THEREIN** - Within ninety (90) days from the date of execution thereof, the Lessee shall file for approval by the Authorized Officer any instruments of transfer made of this lease or of any interest therein, including assignments of record title and working or other interests.

Sec. 12. **REPORTS AND OTHER INFORMATION** - At such times and in such form as the Lessor may prescribe, the Lessee shall comply with all reporting requirements of the geothermal resources leasing, operating, and unit regulations and shall submit quarterly reports containing the data which it has collected through the monitoring of air, land, and water quality and all other data pertaining to the effect on the environment by operations under the lease. The Lessee shall also comply with such other reporting requirements as may be imposed by the Authorized Officer or the Supervisor. The Lessor may release to the general public any reports, maps, or other information submitted by the Lessee except geologic and geophysical interpretations, maps, or data subject to 30 CFR 270.79 or unless the Lessee shall designate that information as proprietary and the Supervisor or the Authorized Officer shall approve that designation.

Sec. 13. **DILIGENT EXPLORATION** - In the manner required by the regulations, the Lessee shall diligently explore the leased lands for geothermal resources until there is production in commercial quantities applicable to this lease. After the fifth year of the primary term the Lessee shall make at least

the minimum expenditures required to qualify the operations on the leased lands as diligent exploration under the regulations.

Sec. 14. PROTECTION OF THE ENVIRONMENT (LAND, AIR AND WATER) AND IMPROVEMENTS - The Lessee shall take all mitigating actions required by the Lessor to prevent: (a) soil erosion or damage to crops or other vegetative cover on Federal or non-Federal lands in the vicinity; (b) the pollution of land, air, or water; (c) land subsidence, seismic activity, or noise emissions; (d) damage to aesthetic and recreational values; (e) damage to fish or wildlife or their habitats; (f) damage to or removal of improvements owned by the United States or other parties; or (g) damage to or destruction or loss of fossils, historic or prehistoric ruins, or artifacts. Prior to the termination of bond liability or at any other time when required and to the extent deemed necessary by the Lessor, the Lessee shall reclaim all surface disturbances as required, remove or cover all debris or solid waste, and, so far as possible, repair the offsite and onsite damage caused by his activity or activities incidental thereto, and return access roads or trails and the leased lands to an acceptable condition including the removal of structures, if required. The Supervisor or the Authorized Officer shall prescribe the steps to be taken by Lessee to protect the surface and the environment and for the restoration of the leased lands and other lands affected by operations on the leased lands and improvements thereon, whether or not the improvements are owned by the United States. Timber or mineral materials may be obtained only on terms and conditions imposed by the Authorized Officer.

Sec. 15. WASTE - The Lessee shall use all reasonable precautions to prevent waste of natural resources and energy, including geothermal resources, or of any minerals, and to prevent the communication of water or brine zones with any oil, gas, fresh water, or other gas or water bearing formations or zones which would threaten destruction or damage to such deposits. The Lessee shall monitor noise, air, and water quality conditions in accordance with any orders of the Supervisor.

Sec. 16. MEASUREMENTS - The Lessee shall gauge or otherwise measure all production, sales, or utilization of geothermal resources and shall record the same accurately in records as required by the Supervisor. Reports on production, sales, or utilization of geothermal resources shall be submitted in accordance with the terms of this lease and the regulations.

Sec. 17. RESERVATIONS TO LESSOR - All rights in the leased area not granted to the Lessee by this lease are hereby reserved to the Lessor. Without limiting the generality of the foregoing such reserved rights include:

(a) **Disposal** - The right to sell or otherwise dispose of the surface of the leased lands or any resource in the leased lands under existing laws, or laws hereafter enacted, subject to the rights of the Lessee under this lease;

(b) **Rights-of-way** - The right to authorize geological and geophysical explorations on the leased lands which do not interfere with or endanger actual operations under this lease, and the right to grant such easements or rights-of-way for joint or several use upon, through or in the leased area for steam lines and other public or private purposes which do not interfere with or endanger actual operations or facilities constructed under this lease;

(c) **Mineral Rights** - The ownership of and the right to extract oil, hydrocarbon gas, and helium from all geothermal steam and associated geothermal resources produced from the leased lands;

(d) **Casing** - The right to acquire the well and casing at the fair market value of the casing where the Lessee finds only potable water, and such water is not required in lease operations; and

(e) **Measurements** - The right to measure geothermal resources and to sample any production thereof.

Sec. 18. ANTIQUITIES AND OBJECTS OF HISTORIC VALUE - The Lessee shall immediately bring to the attention of the Authorized Officer any antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric ruins, fossils, or artifacts discovered as a result of operations under this lease, and shall leave such discoveries intact. Failure to comply with any of the terms and conditions imposed by the Authorized Officer with regard to the preservation of antiquities may constitute a violation of the Antiquities Act (16 U.S.C. 431-433). Prior to operations, the Lessee shall furnish to the Authorized Officer a certified statement that either no archaeological values exist or that they may exist on the leased lands to the best of the Lessee's knowledge and belief and that they might be impaired by geothermal operations. If the Lessee furnishes a statement that archaeological values may exist where the land is to be disturbed or occupied, the Lessee will engage a qualified archaeologist, acceptable to the Authorized Officer, to survey and salvage, in advance of any operations, such archaeological values on the lands involved. The responsibility for the cost for the certificate, survey, and salvage will be borne by the Lessee, and such salvaged property shall remain the property of the Lessor or the surface owner.

Sec. 19. DIRECTIONAL DRILLING - A directional well drilled under the leased area from a surface location on nearby land not covered by the lease shall be deemed to have the same effect for all purposes of this lease as a well drilled from a surface location on the leased area. In such circumstances, drilling shall be considered to have been commenced on the nearby land for the purposes of this lease, and production of geothermal resources from the leased area through any directional well located on nearby land, or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations (as the case may be) on the leased area for all purposes of this lease. Nothing contained in this section shall be construed as

granting to the Lessee any right in any land outside the leased area.

Sec. 20. OVERRIDING ROYALTIES - The Lessee shall not create overriding royalties of less than one-quarter (1/4) of one percent of the value of output nor in excess of 50 percent of the rate of royalty due to the Lessor specified in Sec. 3 of this lease except as otherwise authorized by the regulations. The Lessee expressly agrees that the creation of any overriding royalty which does not provide for a prorated reduction of all overriding royalties so that the aggregate rate of royalties does not exceed the maximum rate permissible under this section, or the failure to suspend an overriding royalty during any period when the royalties due to the Lessor have been suspended pursuant to the terms of this lease, shall constitute a violation of the lease terms.

Sec. 21. READJUSTMENT OF TERMS AND CONDITIONS - The terms and conditions of this lease other than those related to rentals and royalties may be readjusted in accordance with the Act at not less than ten-year intervals beginning ten (10) years after the date geothermal steam is produced from the leased premises as determined by the Supervisor.

Sec. 22. COOPERATIVE OR UNIT PLAN - The Lessee agrees that it will on its own, or at the request of the Lessor where it is determined to be necessary for the conservation of the resource or to prevent the waste of the resource, subscribe to and operate under any reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof embracing the lands subject to this lease as the Secretary may determine to be practicable and necessary or advisable in the interest of conservation. In the event the leased lands are included within a unit, the terms of this lease shall be deemed to be modified to conform to such unit agreement. Where any provision of a cooperative or unit plan of development which has been approved by the Secretary, and which by its terms affects the leased area or any part thereof, is inconsistent with a provision of this lease, the provisions of such cooperative or unit plan shall govern.

Sec. 23. RELINQUISHMENT OF LEASE - The Lessee may relinquish this entire lease or any officially designated subdivision of the leased area in accordance with the regulations by filing in the proper BLM office a written relinquishment, in triplicate, which shall be effective as of the date of filing. No relinquishment of this lease or any portion of the leased area shall relieve the Lessee or its surety from any liability for breach of any obligation of this lease, including the obligation to make payment of all accrued rentals and royalties and to place all wells in the leased lands to be relinquished in condition for suspension or abandonment, and to protect or restore substantially the surface or subsurface resources in a manner satisfactory to the Lessor.

Sec. 24. REMOVAL OF PROPERTY ON TERMINATION OR EXPIRATION OF LEASE

(a) Upon the termination or expiration of this lease in whole or in part, or the relinquishment of the lease in whole or in part, as herein provided, the Lessee shall within a period of ninety (90) days (or such longer period as the Supervisor may authorize because of adverse climatic conditions) thereafter remove from the leased lands, no longer subject to the lease all structures, machinery, equipment, tools, and materials in accordance with applicable regulations and orders of the Supervisor. However, the Lessee shall, for a period of not more than six (6) months, continue to maintain any such property needed in the relinquished area, as determined by the Supervisor, for producing wells or for drilling or producing geothermal resources on other leases.

(b) Any structures, machinery, equipment, tools, appliances, and materials, subject to removal by the Lessee, as provided above, which are allowed to remain on the leased lands shall become the property of the Lessor on expiration of the 90-day period or any extension of that period which may be granted by the Supervisor. If the Supervisor directs the Lessee to remove such property, the Lessee shall do so at its own expense, or if it fails to do so within a reasonable period, the Lessor may do so at the Lessee's expense.

Sec. 25. REMEDIES IN CASE OF DEFAULT

(a) Whenever the Lessee fails to comply with any of the provisions of the Act, or of the terms and stipulations of this lease, or of the regulations issued under the Act, or of any order issued pursuant to those regulations, and that default shall continue for a period of thirty (30) days after service of notice by the Lessor, the Lessor may (1) suspend operations until the requested action is taken to correct the noncompliance, or (2) cancel the lease in accordance with Sec. 12 of the Act (30 U.S.C. 1011). However, the 30-day notice provision applicable to this lease under Sec. 12 of the Act shall also apply as a prerequisite to the institution of any legal proceedings by the Lessor to cancel this lease while it is in a producing status. Nothing in this subsection shall be construed to apply to, or require any notice with respect to any legal action instituted by the Lessor other than an action to cancel the lease pursuant to Sec. 12 of the Act.

(b) Whenever the Lessee fails to comply with any of the provisions of the Act, or of this lease, or the regulations, or of any GRO Orders, or other orders, and immediate action is required, the Lessor without waiting for action by the Lessee may enter on the leased lands and take such measures as it may deem necessary to correct the failure, including a suspension of operations or production, all at the expense of the Lessee.

(c) A waiver of any particular violation of the provisions of the Act, or of this lease, or of any regulations promulgated by the Secretary under the Act, shall not prevent the cancellation of this lease or the exercise of any other remedy or remedies under paragraphs (a) and (b) of this section by reason of any other such violation, or for the same violation occurring at any other time.

(d) Nothing herein shall limit or affect the Lessee's right to a hearing and appeal as provided in Sec. 12 of the

it and in the regulations promulgated thereunder.
(e) Upon cancellation, the Lessee shall remove all property in accordance with Sec. 24 hereof, and shall store the leased lands in a manner acceptable to the Lessor or as may be otherwise required by the Lessor.

Sec. 26. HEIRS AND SUCCESSORS IN INTEREST - Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns, of the respective parties hereto.

Sec. 27. UNLAWFUL INTEREST - No Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, either before or after he has qualified, and during his continuance in office, and no officer, agent, or employee of the Department shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of Sec. 3741 of the Revised Statutes (41 U.S.C. Sec. 22), as amended, and Sections 431, 432, and 433 of Title 18 of the United States Code, relating to contracts made or entered into, or accepted by or on behalf of the United States, form a part of this lease so far as the same may be applicable.

Sec. 28. MONOPOLY AND FAIR PRICES - The Lessor reserves full power and authority to protect the public interest by promulgating and enforcing all orders necessary to insure the sale of the production from the leased lands at reasonable prices, to prevent monopoly, and to safeguard the public interest.

Sec. 29. EQUAL OPPORTUNITY CLAUSE - The Lessee agrees that, during the performance of this contract:

(1) The Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Lessor setting forth the provisions of this Equal Opportunity clause.

(2) The Lessee will, in all solicitations or advertisements for employees placed by or on behalf of the Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Lessee will send to each labor union or representative of workers with which Lessee has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Lessor, advising the labor union or workers' representative of the Lessee's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Secretary

of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Lessee's noncompliance with the Equal Opportunity clause of this lease or with any of said rules, regulations, or orders, this lease may be canceled, terminated or suspended in whole or in part and the Lessee may be declared ineligible for further Federal Government contracts or leases in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Lessee will include the provisions of Paragraphs (1) through (7) of this Section (29) in every contract, subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each contractor, subcontractor, or subcontract, or purchase order as the Secretary may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Lessee becomes involved in, or is threatened with, litigation with a contractor, subcontractor, or vendor as a result of such direction by the Secretary, the Lessee may request the Lessor to enter into such litigation to protect the interests of the Lessor.

Sec. 30. CERTIFICATION OF NONSEGREGATED FACILITIES - By entering into this lease, the Lessee certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Lessee agrees that a breach of this certification is a violation of the Equal Opportunity clause of this lease. As used in this certification, the term "segregated facilities" means, but is not limited to, any waiting rooms, work areas, rest rooms and wash rooms, or restaurants or other eating areas, time clocks, or locker rooms, and other storage or dressing rooms, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive, or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise. Lessee further agrees that (except where it has obtained identical certifications from proposed contractors and subcontractors for specific time periods) it will obtain identical certifications from proposed contractors and subcontractors prior to the award of contracts or subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that it will retain such certifications in its files; and that it will forward the following certification to such proposed contractors and subcontractors (except where the proposed contractor or subcontractor has submitted identical certifications for specific time periods); it will notify prospective contractors and subcontractors of requirement for certification of nonsegregated facilities. A Certification of Nonsegregated Facilities, as required by the May 9, 1967 Order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a contract or subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each contract and subcontract or for all contracts and subcontracts during a period (i.e., quarterly, semiannually, or annually).

Sec. 31. SPECIAL STIPULATIONS - (stipulations, if any, are attached hereto and made a part hereof)

The attached Fort Churchill-Clan Alpine Special Stipulations apply to all lands within this lease.

In witness whereof the parties have executed this lease.

Lessee:
MILLICAN OIL COMPANY

BY: _____

(signature of Lessee)

ATTEST: _____

Secretary

September 22, 1977

SEA _____

(Date)

THE UNITED STATES OF AMERICA, Lessor:

By _____

(Authorized Officer)

Acting Chief, Lands & Minerals Operations

(Title)

OCT 26 1977

(Date)

act and in the regulations promulgated under.

(c) Upon cancellation, the Lessee shall remove all property in accordance with Sec. 24 hereof, and shall restore the leased lands in a manner acceptable to the Lessor as may be otherwise required by the Lessor.

Sec. 26. HEIRS AND SUCCESSORS IN INTEREST - Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns, of the respective parties hereto.

Sec. 27. UNLAWFUL INTEREST - No Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, either before or after he has qualified, and during his continuance in office, and no officer, agent, or employee of the Department shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of Sec. 3741 of the Revised Statutes (41 U.S.C. Sec. 22), as amended, and Sections 431, 432, and 433 of Title 18 of the United States Code, relating to contracts made or entered into, or accepted by or on behalf of the United States, form a part of this lease so far as the same may be applicable.

Sec. 28. MONOPOLY AND FAIR PRICES - The Lessor reserves full power and authority to protect the public interest by promulgating and enforcing all orders necessary to insure the sale of the production from the leased lands at reasonable prices, to prevent monopoly, and to safeguard the public interest.

Sec. 29. EQUAL OPPORTUNITY CLAUSE - The Lessee agrees that, during the performance of this contract:

(1) The Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Lessee will take affirmative action to ensure that applicants are employed, and that

of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Lessee's noncompliance with the Equal Opportunity clause of this lease or with any of said rules, regulations, or orders, this lease may be canceled, terminated or suspended in whole or in part and the Lessee may be declared ineligible for further Federal Government contracts or leases in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Lessee will include the provisions of Paragraphs (1) through (7) of this Section (29) in every contract, subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each contractor, subcontractor, or subcontract, or purchase order as the Secretary may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Lessee becomes involved in, or is threatened with, litigation with a contractor, subcontractor, or vendor as a result of such direction by the Secretary, the Lessee may request the Lessor to enter into such litigation to protect the interests of the Lessor.

Sec. 30. CERTIFICATION OF NONSEGREGATED FACILITIES - By entering into this lease, the Lessee certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Lessee agrees that a breach of this certification is a violation of the

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF HARRIS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

Thomas W. Clay, President *A. Ray Davis, Secretary*

whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said

MILICAN OIL COMPANY

a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 22nd day of September A. D. 1977

(L.S.)

Notary Public in and for

Harris

County, Tex

access to its books, records, and accounts by the Secretary

or for all contracts and subcontracts during a period (i.e., quarterly, semiannually, or annually).

Sec. 31. SPECIAL STIPULATIONS - (stipulations, if any, are attached hereto and made a part hereof)

The attached Fort Churchill-Clan Alpine Special Stipulations apply to all lands within this lease.

In witness whereof the parties have executed this lease.

Lessee:

MILICAN OIL COMPANY

BY:

(signature of Lessee)

ATTEST:

Secretary

September 22, 1977

[SEAL]

(Date)

THE UNITED STATES OF AMERICA, Lessor:

By

(Authorized Officer)

Chief, Lands & Minerals Operations

(Title)

OCT 26 1977

(Date)

**FORT CHURCHILL-CLAN ALPINE .
SPECIAL STIPULATIONS**

The Lessee shall comply with the following special conditions and stipulations unless they are modified by mutual agreement of the Lessee, the Supervisor and the Authorized Officer:

1. Surface occupancy within 500 feet (horizontal measurement) of any canal, ditch, slough, pond, lake, spring, or open body of water may be restricted or denied where deemed necessary by the appropriate surface management agency to protect wildlife and other resources. Other buffer zones and areas of restricted surface occupancy may be required to protect other resource values, including but not limited to, critical or rare or endangered species habitat.
2. The certified statement required by Section 18 of the lease form must be completed by a qualified archaeologist, acceptable to the Authorized Officer.
3. The use of wide or balloon-tired vehicles and/or helicopters may be required for any activities in off-road areas where deemed necessary to protect the soil and other resources.
4. Springs and water developments on Federal lands may be used only with the prior written approval of the Authorized Officer.

10:00
A.M.
RECEIVED
Bureau of Land Management
OCT 19 1977
NEVADA STATE OFFICE
RENO, NEVADA

In witness whereof the parties have executed this lease.

Lessee:
MILICAN OIL COMPANY

BY: 

(signature of Lessee)

ATTEST: 

XXXXXXXXXXXXXXXXXXXX Secretary

September 22, 1977

SEALED

(Date)

THE UNITED STATES OF AMERICA, Lessor:

By: 

(Authorized Officer)

Acting Chief, Lands & Minerals Operations
(Title)

OCT 26 1977

(Date)

N-61705

UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

GEOTHERMAL RESOURCES LEASE

☐ Competitive

☒ Noncompetitive

Serial Number N-12393

USGS - KGRA Determination:

In consideration of the terms and conditions contained herein, and the grant made hereby, this lease is entered into by the UNITED STATES OF AMERICA (hereinafter called the "Lessor"), acting through the Bureau of Land Management (hereinafter called the "Bureau") of the Department of the Interior (hereinafter called the "Department"), and

Sunoco Energy Development Company, 12700 Park Central Place, Suite 1500, Dallas, TX 75251 (hereinafter called the "Lessee").

This lease is made pursuant to the Geothermal Steam Act of 1970 (84 Stat. 1566; 30 U.S.C. 1001-1025) (hereinafter called "the Act") to be effective on **June 1, 1976** (hereinafter called the "effective date"). It is subject to all the provisions of the Act and to all the terms, conditions, and requirements of (a) all regulations promulgated by the Secretary of the Interior (hereinafter called "the Secretary") in existence upon the effective date, specifically including, but not limited to, 43 CFR Parts 3000 and 3200 and 30 CFR Parts 270 and 271, (b) all geothermal resources operational orders (hereinafter called "GRO orders") issued pursuant thereto, all of which are incorporated herein and by reference made a part hereof, and (c) any regulations hereafter issued by the Secretary (except those inconsistent with any specific provisions of this lease other than regulations incorporated herein by reference) all of which shall be, upon their effective date, incorporated herein and, by reference, made a part hereof.

Sec. 1. GRANT - The Lessor hereby grants and leases to the Lessee the exclusive right and privilege to drill for, extract, produce, remove, utilize, sell, and dispose of geothermal steam and associated geothermal resources, (hereinafter called "geothermal resources"), in or under the following described lands situated within the County of **Churchill** State of **Nevada**

National Resource Lands		Acquired Lands	
T. 24 N., R. 37 E., Mount Diablo Meridian		T. ; R. ; Meridian	
sec. 17, All;			
sec. 18, Lots 2, 3, 4, E $\frac{1}{2}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$;			
sec. 19, Lots 1, 2, 3, 4, E $\frac{1}{2}$, E $\frac{1}{2}$ (All)			
T. 24 N., R. 36 E., Mount Diablo Meridian			
sec. 24, All.			

Total Area 2455.33

Total Area

Containing 2455.33 acres (hereinafter called the "leased area" or "leased lands"), together with:
(a) The nonexclusive right to conduct within the leased area geological and geophysical exploration in accordance with applicable regulations; and

(b) The right to construct or erect and to use, operate, and maintain within the leased area, together with ingress and egress thereupon all wells, pumps, pipes, pipelines, buildings, plants, sumps, brine pits, reservoirs, tanks, waterworks, pumping stations, roads, electric power generating plants, transmission lines, industrial facilities, electric, telegraph or telephone lines, and such other works and structures and to use so much of the surface of the land as may be necessary or reasonably convenient for the production, utilization, and processing of geothermal resources or to the full enjoyment of the rights granted by this lease, subject to compliance with applicable laws and regulations; *Provided that*, although the use of the leased area for an electric power generating plant or transmission facilities or a commercial or industrial facility is authorized hereunder, the location of such facilities and the terms of occupancy therefor shall be under separate instruments issued under any applicable laws and regulations; and

(c) The nonexclusive right to drill potable water wells in accordance with state water laws within the leased area and to use the water produced therefrom for operations on the leased lands free of cost, provided that such drilling and development are conducted in accordance with procedures approved by the Supervisor of the Geological Survey (hereinafter called "Supervisor"); and

(d) The right to convert this lease to a mineral lease under the Mineral Leasing Act of February 25, 1920, as amended, and supplemented (30 U.S.C. 181-287) or under the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), whichever is appropriate, if the leasehold is primarily valuable for the production of one or more valuable by-products which are leaseable under those statutes, and the lease is incapable of commercial production or utilization of geothermal steam: *Provided that*, an application is made therefor prior to the expiration of the lease extension by reason of by-product production as hereinafter provided, and subject to all the terms and conditions of said appropriate Acts. The Lessee is also granted the right to locate mineral deposits under the mining laws (30 U.S.C. 21-54), which would constitute by-products if commercial production or utilization of geothermal steam continued, but such a location to be valid must be completed within ninety (90) days after the termination of this lease. Any conversion of this lease to a mineral lease or a mining claim is contingent on the availability of such lands for this purpose at the time of the conversion. If the lands are withdrawn or acquired in aid of a function of any Federal Department or agency, the mineral lease or mining claim shall be subject to such additional terms and conditions as may be prescribed by such Department or agency for the purpose of making operations thereon consistent with the purposes for which these lands are administered; and

(e) The right, without the payment of royalties hereunder, to reinject into the leased lands geothermal resources and condensates to the extent that such resources and condensates are not utilized, but their reinjection is necessary for operations under this lease in the recovering or processing of geothermal resources. If the Lessee, pursuant to any approved plan, disposes of the unusable brine and produced waste products into underlying formations, he may do so without the payment of royalties.

Sec. 2. TERM

(a) This lease shall be for a primary term of ten (10) years from the effective date and so long thereafter as geothermal steam is produced or utilized in commercial quantities but shall in no event continue for more than forty (40) years after the end of the primary term. However, if at the end of that forty-year period geothermal steam is being produced or utilized in commercial quantities, and the leased lands are not needed for other purposes, the Lessee shall have a preferential right to a renewal of this lease for a second forty-year term in accordance with such terms and conditions as the Lessor deems appropriate.

(b) If actual drilling operations are commenced on the leased lands or under an approved plan or agreement on behalf of the leased lands prior to the end of the primary term,

and are being diligently prosecuted at the end of the primary term, this lease shall be extended for five (5) years and so long thereafter, but not more than thirty-five (35) years, as geothermal steam is produced or utilized in commercial quantities. If at the end of such extended term geothermal steam is being produced or utilized in commercial quantities, the Lessee shall have a preferential right to a renewal for a second term as in (a) above.

(c) If the Lessor determines at any time after the primary term that this lease is incapable of commercial production and utilization of geothermal steam, but one or more valuable by-products are or can be produced in commercial quantities, this lease shall be extended for so long as such by-products are produced in commercial quantities but not for more than five (5) years from the date of such determination.

Sec. 3. RENTALS AND ROYALTIES

(a) *Annual Rental* - For each lease year prior to the commencement of production of geothermal resources in commercial quantities on the leased lands, the Lessee shall pay the Lessor on or before the anniversary date of the lease a rental of \$ **1.00** for each acre or fraction thereof.

(b) *Escalating Rental* - Beginning with the sixth lease year and for each year thereafter until the lease year beginning on or after the commencement of production of geothermal resources in commercial quantities, the Lessee shall pay on or before the anniversary date of the lease an escalated rental in an amount per acre or fraction thereof equal to the rental per acre for the preceding year and an additional sum of one (1) dollar per acre or fraction thereof. If the lease is extended beyond ten (10) years for reasons other than the commencement of production of geothermal resources in commercial quantities, the rental for the eleventh year and for each lease year thereafter until the lease year beginning on or after the commencement of such production will be the amount of rental for the tenth lease year. If any expenditures are made in any lease year for diligent exploration on the leased lands in excess of the minimum required expenditures for that year, the excess may be credited against any rentals in excess of \$ **1.00** per acre or fraction thereof due the Lessor for that or any future year.

(c) *Royalty* - On or before the last day of the calendar month after the month of commencement of production in commercial quantities of geothermal resources and thereafter on a monthly basis, the Lessee shall pay to the Lessor:

(1) A royalty of **10** percent on the amount or value of steam, or any other form of heat or other associated energy produced, processed, removed, sold, or utilized from this lease or reasonably susceptible to sale or utilization by the Lessee.

(2) A royalty of **5** percent of the value of any by-product derived from production under this lease, produced, processed, removed, sold, or utilized from this lease or reasonably susceptible of sale or utilization by the Lessee, except that as to any by-product which is a mineral named in Sec. 1 of the Mineral Leasing Act of February 25, 1920, as amended, (30 U.S.C. 181), the rate of royalty for such mineral shall be the same as that provided in that statute and the maximum rate of royalty for such mineral shall not exceed the maximum royalty applicable under that statute.

(3) A royalty of **5** percent of the value of commercially demineralized water which has been produced from the leased lands, and has been sold or utilized by the Lessee or is reasonably susceptible of sale or utilization by the Lessee. In no event shall the Lessee pay to the Lessor, for the lease year beginning on or after the commencement of production in commercial quantities on the leased lands or any subsequent lease year, a royalty of less than two (2) dollars per acre or fraction thereof. If royalty paid on production during the lease year has not satisfied this requirement, the Lessee shall pay the difference on or before the expiration date of the lease year for which it is paid.

(d) *Waiver and Suspension of Rental and Royalties* - Rentals or royalties may be waived, suspended, or reduced pursuant to the applicable regulations on the entire leasehold or any portion thereof in the interest of conservation or for the purpose of encouraging the greatest ultimate recovery of geothermal resources if the Lessor determines that it is necessary to do so to promote such development, or because the lease cannot be successfully operated under the terms fixed herein.

(e) *Undivided Fractional Interests* - Where the interest of the Lessor in the geothermal resources underlying any tract or tracts described in Sec. 1 is an undivided fractional interest, the rentals and royalties payable on account of each such tract shall be in the same proportion to the rentals and royalties provided in this lease as the individual fractional interest of the Lessor in the geothermal resources underlying such tract is to the full fee interest.

(f) *Readjustments* - Rentals and royalties hereunder may be readjusted in accordance with the Act and regulations to rates not in excess of the rates provided therein, and at not less than twenty (20) year intervals beginning thirty-five (35) years after the date geothermal steam is produced from the lease as determined by the Supervisor.

Sec. 4. *PAYMENTS* - It is expressly understood that the Secretary may establish the values and minimum values of geothermal resources to compute royalties in accordance with the applicable regulations. Unless otherwise directed by the Secretary, all payments to the Lessor will be made as required by the regulations. If there is no well on the leased lands capable of producing geothermal resources in commercial quantities, the failure to pay rental on or before the anniversary date shall cause the lease to terminate by operation of law except as provided by Sec. 3244.2 of the regulations. If the time for payment falls on a day on which the proper office to receive payment is closed, payment shall be deemed to be made on time if made on the next official working day.

Sec. 5. *BONDS* - The Lessee shall file with the Authorized Officer of the Bureau (hereinafter called the "Authorized Officer") shall maintain at all times the bonds required under the regulations to be furnished as a condition to the issuance of this lease or prior to entry on the leased lands in the amounts established by the Lessor and to furnish such additional bonds or security as may be required by the Lessor upon entry on the lands or after operations or production have begun.

Sec. 6. WELLS

(a) The Lessee shall drill and produce all wells necessary to protect the leased land from drainage by operations on lands not the property of the Lessor, or other lands of the Lessor leased at a lower royalty rate, or on lands as to which royalties and rentals are paid into different funds from those

into which royalties under this lease are paid. However, in lieu of any part of such drilling and production, with the consent of the Supervisor, the Lessee may compensate the Lessor in full each month for the estimated loss of royalty through drainage in the amount determined by said Supervisor.

(b) At the Lessee's election, and with the approval of the Supervisor, the Lessee shall drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized by applicable law.

(c) After due notice in writing, the Lessee shall diligently drill and produce such wells as the Supervisor shall require so that the leased lands may be properly and timely developed and for the production of geothermal steam and its by-products, including commercially demineralized water for beneficial uses in accordance with applicable state laws. However, the Supervisor may waive or modify the requirements of this subparagraph (c) in the interest of conservation of natural resources or for economic feasibility or other reasons satisfactory to him. If the products or by-products of geothermal production from wells drilled on this lease are susceptible of producing commercially demineralized water for beneficial uses, and a program therefor is not initiated with due diligence, the Lessor may at its option elect to take such products or by-products and the Lessee shall deliver all or any portion thereof to the Lessor at any point in the Lessee's geothermal gathering or disposal system without cost to the Lessee, if the Lessee's activities, under the lease, would not be impaired and such delivery would otherwise be consistent with field and operational requirements. The retention of this option by the Lessor shall in no way relieve the Lessee from the duty of producing commercially demineralized water where required to do so by the Lessor, except when the option is being exercised and then only with respect to wells where it is being exercised, or limit the Lessor's right to take any action under Sec. 25 to enforce that requirement.

Sec. 7. *INSPECTION* - The Lessee shall keep open at all reasonable times for the inspection of any duly authorized representative of the Lessor the leased lands and all wells, improvements, machinery, and fixtures thereon and all production reports, maps, records, books, and accounts relative to operations under the lease, and well logs, surveys, or investigations of the leased lands.

Sec. 8. *CONDUCT OF OPERATIONS* - The Lessee shall conduct all operations under this lease in a workmanlike manner and in accordance with all applicable statutes, regulations, and GRO orders, and all other appropriate directives of the Lessor to prevent bodily injury, danger to life or health, or property damage, and to avoid the waste of resources, and shall comply with all requirements which are set forth in 43 CFR Group 3200, including, but not limited to, Subpart 3204, or which may be prescribed by the Lessor pursuant to the regulations, and with the special stipulations which are attached to the lease, all of which are specifically incorporated into this lease. A breach of any term of this lease, including the stipulations attached hereto, will be subject to all the provisions of this lease with respect to remedies in case of default. Where any stipulation is inconsistent with a regular provision of this lease, the stipulation shall govern.

Sec. 9. INDEMNIFICATION

(a) The Lessee shall be liable to the Lessor for any damage suffered by the Lessor in any way arising from or connected with the Lessee's activities and operations conducted pursuant to this lease, except where damage is caused by employees of the Lessor acting within the scope of their authority.

(b) The Lessee shall indemnify and hold harmless the Lessor from all claims arising from or connected with the Lessee's activities and operations under this lease.

(c) In any case where liability without fault is imposed on the Lessee pursuant to this section, and the damages involved were caused by the action of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damage occurred.

Sec. 10. *CONTRACTS FOR SALE OR DISPOSAL OF PRODUCTS* - The Lessee shall file with the Supervisor not later than thirty (30) days after the effective date thereof any contract, or evidence of other arrangement for the sale or disposal of geothermal resources.

Sec. 11. *ASSIGNMENT OF LEASE OR INTEREST THEREIN* - Within ninety (90) days from the date of execution thereof, the Lessee shall file for approval by the Authorized Officer any instruments of transfer made of this lease or of any interest therein, including assignments of record title and working or other interests.

Sec. 12. *REPORTS AND OTHER INFORMATION* - At such times and in such form as the Lessor may prescribe, the Lessee shall comply with all reporting requirements of the geothermal resources leasing, operating, and unit regulations and shall submit quarterly reports containing the data which it has collected through the monitoring of air, land, and water quality and all other data pertaining to the effect on the environment by operations under the lease. The Lessee shall also comply with such other reporting requirements as may be imposed by the Authorized Officer or the Supervisor. The Lessor may release to the general public any reports, maps, or other information submitted by the Lessee except geologic and geophysical interpretations, maps, or data subject to 30 CFR 270.79 or unless the Lessee shall designate that information as proprietary and the Supervisor or the Authorized Officer shall approve that designation.

Sec. 13. *DILIGENT EXPLORATION* - In the manner required by the regulations, the Lessee shall diligently explore the leased lands for geothermal resources until there is production in commercial quantities applicable to this lease. After the fifth year of the primary term the Lessee shall make at least

the minimum expenditures required to qualify the operations on the leased lands as diligent exploration under the regulations.

Sec. 14. PROTECTION OF THE ENVIRONMENT (LAND, AIR AND WATER) AND IMPROVEMENTS - The Lessee shall take all mitigating actions required by the Lessor to prevent: (a) soil erosion or damage to crops or other vegetative cover on Federal or non-Federal lands in the vicinity; (b) the pollution of land, air, or water; (c) land subsidence, seismic activity, or noise emissions; (d) damage to aesthetic and recreational values; (e) damage to fish or wildlife or their habitats; (f) damage to or removal of improvements owned by the United States or other parties; or (g) damage to or destruction or loss of fossils, historic or prehistoric ruins, or artifacts. Prior to the termination of bond liability or at any other time when required and to the extent deemed necessary by the Lessor, the Lessee shall reclaim all surface disturbances as required, remove or cover all debris or solid waste, and, so far as possible, repair the offsite and onsite damage caused by his activity or activities incidental thereto, and return access roads or trails and the leased lands to an acceptable condition including the removal of structures, if required. The Supervisor or the Authorized Officer shall prescribe the steps to be taken by Lessee to protect the surface and the environment and for the restoration of the leased lands and other lands affected by operations on the leased lands and improvements thereon, whether or not the improvements are owned by the United States. Timber or mineral materials may be obtained only on terms and conditions imposed by the Authorized Officer.

Sec. 15. WASTE - The Lessee shall use all reasonable precautions to prevent waste of natural resources and energy, including geothermal resources, or of any minerals, and to prevent the communication of water or brine zones with any oil, gas, fresh water, or other gas or water bearing formations or zones which would threaten destruction or damage to such deposits. The Lessee shall monitor noise, air, and water quality conditions in accordance with any orders of the Supervisor.

Sec. 16. MEASUREMENTS - The Lessee shall gauge or otherwise measure all production, sales, or utilization of geothermal resources and shall record the same accurately in records as required by the Supervisor. Reports on production, sales, or utilization of geothermal resources shall be submitted in accordance with the terms of this lease and the regulations.

Sec. 17. RESERVATIONS TO LESSOR - All rights in the leased area not granted to the Lessee by this lease are hereby reserved to the Lessor. Without limiting the generality of the foregoing such reserved rights include:

(a) *Disposal* - The right to sell or otherwise dispose of the surface of the leased lands or any resource in the leased lands under existing laws, or laws hereafter enacted, subject to the rights of the Lessee under this lease;

(b) *Rights-of-way* - The right to authorize geological and geophysical explorations on the leased lands which do not interfere with or endanger actual operations under this lease, and the right to grant such easements or rights-of-way for joint or several use upon, through or in the leased area for steam lines and other public or private purposes which do not interfere with or endanger actual operations or facilities constructed under this lease;

(c) *Mineral Rights* - The ownership of and the right to extract oil, hydrocarbon gas, and helium from all geothermal steam and associated geothermal resources produced from the leased lands;

(d) *Casing* - The right to acquire the well and casing at the fair market value of the casing where the Lessee finds only potable water, and such water is not required in lease operations; and

(e) *Measurements* - The right to measure geothermal resources and to sample any production thereof.

Sec. 18. ANTIQUITIES AND OBJECTS OF HISTORIC VALUE - The Lessee shall immediately bring to the attention of the Authorized Officer any antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric ruins, fossils, or artifacts discovered as a result of operations under this lease, and shall leave such discoveries intact. Failure to comply with any of the terms and conditions imposed by the Authorized Officer with regard to the preservation of antiquities may constitute a violation of the Antiquities Act (16 U.S.C. 431-433). Prior to operations, the Lessee shall furnish to the Authorized Officer a certified statement that either no archaeological values exist or that they may exist on the leased lands to the best of the of the Lessee's knowledge and belief and that they might be impaired by geothermal operations. If the Lessee furnishes a statement that archaeological values may exist where the land is to be disturbed or occupied, the Lessee will engage a qualified archaeologist, acceptable to the Authorized Officer, to survey and salvage, in advance of any operations, such archaeological values on the lands involved. The responsibility for the cost for the certificate, survey, and salvage will be borne by the Lessee, and such salvaged property shall remain the property of the Lessor or the surface owner.

Sec. 19. DIRECTIONAL DRILLING - A directional well drilled under the leased area from a surface location on nearby land not covered by the lease shall be deemed to have the same effect for all purposes of this lease as a well drilled from a surface location on the leased area. In such circumstances, drilling shall be considered to have been commenced on the nearby land for the purposes of this lease, and production of geothermal resources from the leased area through any directional well located on nearby land, or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations (as the case may be) on the leased area for all purposes of this lease. Nothing contained in this section shall be construed as

granting to the Lessee any right in any land outside the leased area.

Sec. 20. OVERRIDING ROYALTIES - The Lessee shall not create overriding royalties of less than one-quarter (1/4) of one percent of the value of output nor in excess of 50 percent of the rate of royalty due to the Lessor specified in Sec. 3 of this lease except as otherwise authorized by the regulations. The Lessee expressly agrees that the creation of any overriding royalty which does not provide for a prorated reduction of all overriding royalties so that the aggregate rate of royalties does not exceed the maximum rate permissible under this section, or the failure to suspend an overriding royalty during any period when the royalties due to the Lessor have been suspended pursuant to the terms of this lease, shall constitute a violation of the lease terms.

Sec. 21. READJUSTMENT OF TERMS AND CONDITIONS - The terms and conditions of this lease other than those related to rentals and royalties may be readjusted in accordance with the Act at not less than ten-year intervals beginning ten (10) years after the date geothermal steam is produced from the leased premises as determined by the Supervisor.

Sec. 22. COOPERATIVE OR UNIT PLAN - The Lessee agrees that it will on its own, or at the request of the Lessor where it is determined to be necessary for the conservation of the resource or to prevent the waste of the resource, subscribe to and operate under any reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof embracing the lands subject to this lease as the Secretary may determine to be practicable and necessary or advisable in the interest of conservation. In the event the leased lands are included within a unit, the terms of this lease shall be deemed to be modified to conform to such unit agreement. Where any provision of a cooperative or unit plan of development which has been approved by the Secretary, and which by its terms affects the leased area or any part thereof, is inconsistent with a provision of this lease, the provisions of such cooperative or unit plan shall govern.

Sec. 23. RELINQUISHMENT OF LEASE - The Lessee may relinquish this entire lease or any officially designated subdivision of the leased area in accordance with the regulations by filing in the proper BLM office a written relinquishment, in triplicate, which shall be effective as of the date of filing. No relinquishment of this lease or any portion of the leased area shall relieve the Lessee or its surety from any liability for breach of any obligation of this lease, including the obligation to make payment of all accrued rentals and royalties and to place all wells in the leased lands to be relinquished in condition for suspension or abandonment, and to protect or restore substantially the surface or subsurface resources in a manner satisfactory to the Lessor.

Sec. 24. REMOVAL OF PROPERTY ON TERMINATION OR EXPIRATION OF LEASE

(a) Upon the termination or expiration of this lease in whole or in part, or the relinquishment of the lease in whole or in part, as herein provided, the Lessee shall within a period of ninety (90) days (or such longer period as the Supervisor may authorize because of adverse climatic conditions) thereafter remove from the leased lands, no longer subject to the lease all structures, machinery, equipment, tools, and materials in accordance with applicable regulations and orders of the Supervisor. However, the Lessee shall, for a period of not more than six (6) months, continue to maintain any such property needed in the relinquished area, as determined by the Supervisor, for producing wells or for drilling or producing geothermal resources on other leases.

(b) Any structures, machinery, equipment, tools, appliances, and materials, subject to removal by the Lessee, as provided above, which are allowed to remain on the leased lands shall become the property of the Lessor on expiration of the 90-day period or any extension of that period which may be granted by the Supervisor. If the Supervisor directs the Lessee to remove such property, the Lessee shall do so at its own expense, or if it fails to do so within a reasonable period, the Lessor may do so at the Lessee's expense.

Sec. 25. REMEDIES IN CASE OF DEFAULT

(a) Whenever the Lessee fails to comply with any of the provisions of the Act, or the terms and stipulations of this lease, or of the regulations issued under the Act, or of any order issued pursuant to those regulations, and that default shall continue for a period of thirty (30) days after service of notice by the Lessor, the Lessor may (1) suspend operations until the requested action is taken to correct the noncompliance, or (2) cancel the lease in accordance with Sec. 12 of the Act (30 U.S.C. 1011). However, the 30-day notice provision applicable to this lease under Sec. 12 of the Act shall also apply as a prerequisite to the institution of any legal proceedings by the Lessor to cancel this lease while it is in a producing status. Nothing in this subsection shall be construed to apply to, or require any notice with respect to any legal action instituted by the Lessor other than an action to cancel the lease pursuant to Sec. 12 of the Act.

(b) Whenever the Lessee fails to comply with any of the provisions of the Act, or of this lease, or the regulations, or of any GRO Orders, or other orders, and immediate action is required, the Lessor without waiting for action by the Lessee may enter on the leased lands and take such measures as it may deem necessary to correct the failure, including a suspension of operations or production, all at the expense of the Lessee.

(c) A waiver of any particular violation of the provisions of the Act, or of this lease, or of any regulations promulgated by the Secretary under the Act, shall not prevent the cancellation of this lease or the exercise of any other remedy or remedies under paragraphs (a) and (b) of this section by reason of any other such violation, or for the same violation occurring at any other time.

(d) Nothing herein shall limit or affect the Lessee's right to a hearing and appeal as provided in Sec. 12 of the

Act and in the regulations promulgated thereunder.

(e) Upon cancellation, the Lessee shall remove all property in accordance with Sec. 24 hereof, and shall restore the leased lands in a manner acceptable to the Lessor or as may be otherwise required by the Lessor.

Sec. 26. HEIRS AND SUCCESSORS IN INTEREST - Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns, of the respective parties hereto.

Sec. 27. UNLAWFUL INTEREST - No Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, either before or after he has qualified, and during his continuance in office, and no officer, agent, or employee of the Department shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of Sec. 3741 of the Revised Statutes (41 U.S.C. Sec. 22), as amended, and Sections 431, 432, and 433 of Title 18 of the United States Code, relating to contracts made or entered into, or accepted by or on behalf of the United States, form a part of this lease so far as the same may be applicable.

Sec. 28. MONOPOLY AND FAIR PRICES - The Lessor reserves full power and authority to protect the public interest by promulgating and enforcing all orders necessary to insure the sale of the production from the leased lands at reasonable prices, to prevent monopoly, and to safeguard the public interest.

Sec. 29. EQUAL OPPORTUNITY CLAUSE - The Lessee agrees that, during the performance of this contract:

(1) The Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Lessor setting forth the provisions of this Equal Opportunity clause.

(2) The Lessee will, in all solicitations or advertisements for employees placed by or on behalf of the Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Lessee will send to each labor union or representative of workers with which Lessee has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Lessor, advising the labor union or workers' representative of the Lessee's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Secretary

of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Lessee's noncompliance with the Equal Opportunity clause of this lease or with any of said rules, regulations, or orders, this lease may be canceled, terminated or suspended in whole or in part and the Lessee may be declared ineligible for further Federal Government contracts or leases in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Lessee will include the provisions of Paragraphs (1) through (7) of this Section (29) in every contract, subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each contractor, subcontractor, or subcontract, or purchase order as the Secretary may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Lessee becomes involved in, or is threatened with, litigation with a contractor, subcontractor, or vendor as a result of such direction by the Secretary, the Lessee may request the Lessor to enter into such litigation to protect the interests of the Lessor.

Sec. 30. CERTIFICATION OF NONSEGREGATED FACILITIES - By entering into this lease, the Lessee certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Lessee agrees that a breach of this certification is a violation of the Equal Opportunity clause of this lease. As used in this certification, the term "segregated facilities" means, but is not limited to, any waiting rooms, work areas, rest rooms and wash rooms, or restaurants or other eating areas, time clocks, or locker rooms, and other storage or dressing rooms, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive, or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise. Lessee further agrees that (except where it has obtained identical certifications from proposed contractors and subcontractors for specific time periods) it will obtain identical certifications from proposed contractors and subcontractors prior to the award of contracts or subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that it will retain such certifications in its files; and that it will forward the following certification to such proposed contractors and subcontractors (except where the proposed contractor or subcontractor has submitted identical certifications for specific time periods); it will notify prospective contractors and subcontractors of requirement for certification of nonsegregated facilities. A Certification of Nonsegregated Facilities, as required by the May 9, 1967 Order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a contract or subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each contract and subcontract or for all contracts and subcontracts during a period (i.e., quarterly, semiannually, or annually).

Sec. 31. SPECIAL STIPULATIONS - (stipulations, if any, are attached hereto and made a part hereof)

165219

OFFICIAL RECORDS
CHURCHILL COUNTY, NEVADA
RECORDED IN

SUNOCO ENERGY DEVELOPMENT CO.

173 JUN 6 AM 9:43

INDEXED

STEVE E. HILLSAMER
COUNTY RECORDER

FEE 6.00 DEP.

VERIFIED

The certified statement required by Section 18 of the lease form must be completed by a qualified archaeologist, acceptable to the Authorized Officer.

In witness whereof the parties have executed this lease.

Lessee:

THE UNITED STATES OF AMERICA, Lessor:

SUNOCO ENERGY DEVELOPMENT CO.

W. L. Parcman, Jr.
(Signature of Lessee)

W. L. Parcman, Jr.
Agent and Attorney-in-Fact

(Signature of Lessee)

By A. John Hillsamer
(Authorized Officer)

(Title)

February 18, 1976

A. John Hillsamer, Chief
Lands & Minerals Operations 5/14/76

(Date)

[SEAL]

(Date)

Record and Return to

TITLE RECORD DEPARTMENT

GPO 883-471

SUNOCO ENERGY DEVELOPMENT CO.

12700 Park Central Plaza - Suite 1500

END OF DOCUMENT

Form 3200-1 and Return to
May 4, 1974
TITLE RECORD DEPARTMENT
SUNOCO ENERGY DEVELOPMENT CO.
12700 Park Central Place, Suite 1500
Dallas, Texas 75251

ORIGINAL PAPERS

BOOK 153 PAGE 572
800886

N-61707
RECEIVED
Bureau of Land Management
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
A. M.

UNITED STATES

Bureau of Land Management

Serial Number

N-12863

USGS - KGRA Determination:

MAY 21 1976

April 1, 1974

GEOTHERMAL RESOURCES LEASE

☒ Competitive

☐ Noncompetitive

NEVADA STATE OFFICE
RENO, NEVADA

In consideration of the terms and conditions contained herein, and the grant made hereby, this lease is entered into by the UNITED STATES OF AMERICA (hereinafter called the "Lessor"), acting through the Bureau of Land Management (hereinafter called the "Bureau") of the Department of the Interior (hereinafter called the "Department"), and

Sunoco Energy Development Co., 12700 Park Central Place, Suite 1500, Dallas, TX 75251
(hereinafter called the

"Lessee").

This lease is made pursuant to the Geothermal Steam Act of 1970 (84 Stat. 1566; 30 U.S.C. 1001-1025) (hereinafter called "the Act") to be effective on July 1, 1976 (hereinafter called the "effective date"). It is subject to all the provisions of the Act and to all the terms, conditions, and requirements of (a) all regulations promulgated by the Secretary of the Interior (hereinafter called "the Secretary") in existence upon the effective date, specifically including, but not limited to, 43 CFR Parts 3000 and 3200 and 30 CFR Parts 270 and 271, (b) all geothermal resources operational orders (hereinafter called "GRO orders") issued pursuant thereto, all of which are incorporated herein and by reference made a part hereof, and (c) any regulations hereafter issued by the Secretary (except those inconsistent with any specific provisions of this lease other than regulations incorporated herein by reference) all of which shall be, upon their effective date, incorporated herein and, by reference, made a part hereof.

Sec. 1. GRANT - The Lessor hereby grants and leases to the Lessee the exclusive right and privilege to drill for, extract, produce, remove, utilize, sell, and dispose of geothermal steam and associated geothermal resources, (hereinafter called "geothermal resources"), in or under the following described lands situated within the County of Churchill State of Nevada

National Resource Lands	Acquired Lands
T. 24 N., R. 36 E., Mount Diablo Meridian sec. 12, NE $\frac{1}{4}$, NW $\frac{1}{4}$, SE $\frac{1}{4}$, SW $\frac{1}{4}$; sec. 13, All.	T. ; R. ; Meridian
T. 24 N., R. 37 E., Mount Diablo Meridian sec. 7, Lots 1, 2, 3, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$; sec. 8, All.	
Total Area 2308.59	Total Area

Containing 2308.59 acres (hereinafter called the "leased area" or "leased lands"), together with:

(a) The nonexclusive right to conduct within the leased area geological and geophysical exploration in accordance with applicable regulations; and

(b) The right to construct or erect and to use, operate, and maintain within the leased area, together with ingress and egress thereupon all wells, pumps, pipes, pipelines, buildings, plants, damps, brine pits, reservoirs, tanks, waterworks, pumping stations, roads, electric power generating plants, transmission lines, industrial facilities, electric, telegraph or telephone lines, and such other works and structures and to use so much of the surface of the land as may be necessary or reasonably convenient for the production, utilization, and processing of geothermal resources or to the full enjoyment of the rights granted by this lease, subject to compliance with applicable laws and regulations; *Provided that*, although the use of the leased area for an electric power generating plant or transmission facilities or a commercial or industrial facility is authorized hereunder, the location of such facilities and the terms of occupancy therefor shall be under separate instruments issued under any applicable laws and regulations; and

(c) The nonexclusive right to drill potable water wells in accordance with state water laws within the leased area and to use the water produced therefrom for operations on the leased lands free of cost, provided that such drilling and development are conducted in accordance with procedures approved by the Supervisor of the Geological Survey (hereinafter called "Supervisor"); and

(d) The right to convert this lease to a mineral lease under the Mineral Leasing Act of February 25, 1920, as amended, and supplemented (30 U.S.C. 181-287) or under the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), whichever is appropriate, if the leasehold is primarily valuable for the production of one or more valuable by-products which are leaseable under those statutes, and the lease is incapable of commercial production or utilization of geothermal steam; *Provided that*, an application is made therefor prior to the expiration of the lease extension by reason of by-product production as hereinafter provided, and subject to all the terms and conditions of said appropriate Acts. The Lessee is also granted the right to locate mineral deposits under the mining laws (30 U.S.C. 21-54), which would constitute by-products if commercial production or utilization of geothermal steam continued, but such a location to be valid must be completed within ninety (90) days after the termination of this lease. Any conversion of this lease to a mineral lease or a mining claim is contingent on the availability of such lands for this purpose at the time of the conversion. If the lands are withdrawn or acquired in aid of a function of any Federal Department or agency, the mineral lease or mining claim shall be subject to such additional terms and conditions as may be prescribed by such Department or agency for the purpose of making operations thereon consistent with the purposes for which these lands are administered; and

(e) The right, without the payment of royalties hereunder, to reinject into the leased lands geothermal resources and condensates to the extent that such resources and condensates are not utilized, but their reinjection is necessary for operations under this lease in the recovering or processing of geothermal resources. If the Lessee, pursuant to any approved plan, disposes of the unusable brine and produced waste products into underlying formations, he may do so without the payment of royalties.

Sec. 2. TERM

(a) This lease shall be for a primary term of ten (10) years from the effective date and so long thereafter as geothermal steam is produced or utilized in commercial quantities but shall in no event continue for more than forty (40) years after the end of the primary term. However, if at the end of that forty-year period geothermal steam is being produced or utilized in commercial quantities, and the leased lands are not needed for other purposes, the Lessee shall have a preferential right to a renewal of this lease for a second forty-year term in accordance with such terms and conditions as the Lessor deems appropriate.

(b) If actual drilling operations are commenced on the leased lands or under an approved plan or agreement on behalf of the leased lands prior to the end of the primary term,

and are being diligently prosecuted at the end of the primary term, this lease shall be extended for five (5) years and so long thereafter, but not more than thirty-five (35) years, as geothermal steam is produced or utilized in commercial quantities. If at the end of such extended term geothermal steam is being produced or utilized in commercial quantities, the Lessee shall have a preferential right to a renewal for a second term as in (a) above.

(c) If the Lessor determines at any time after the primary term that this lease is incapable of commercial production and utilization of geothermal steam, but one or more valuable by-products are or can be produced in commercial quantities, this lease shall be extended for so long as such by-products are produced in commercial quantities but not for more than five (5) years from the date of such determination.

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Sec. 3. RENTALS AND ROYALTIES

(a) *Annual Rental* - For each lease year prior to the commencement of production of geothermal resources in commercial quantities on the leased lands, the Lessee shall pay the Lessor on or before the anniversary date of the lease a rental of \$ **2.00** for each acre or fraction thereof.

(b) *Escalating Rental* - Beginning with the sixth lease year and for each year thereafter until the lease year beginning on or after the commencement of production of geothermal resources in commercial quantities, the Lessee shall pay on or before the anniversary date of the lease an escalated rental in an amount per acre or fraction thereof equal to the rental per acre for the preceding year and an additional sum of one (1) dollar per acre or fraction thereof. If the lease is extended beyond ten (10) years for reasons other than the commencement of production of geothermal resources in commercial quantities, the rental for the eleventh year and for each lease year thereafter until the lease year beginning on or after the commencement of such production will be the amount of rental for the tenth lease year. If any expenditures are made in any lease year for diligent exploration on the leased lands in excess of the minimum required expenditures for that year, the excess may be credited against any rentals in excess of \$ **2.00** per acre or fraction thereof due the Lessor for that or any future year.

(c) *Royalty* - On or before the last day of the calendar month after the month of commencement of production in commercial quantities of geothermal resources and thereafter on a monthly basis, the Lessee shall pay to the Lessor:

(1) A royalty of **10** percent on the amount or value of steam, or any other form of heat or other associated energy produced, processed, removed, sold, or utilized from this lease or reasonably susceptible to sale or utilization by the Lessee.

(2) A royalty of **5** percent of the value of any by-product derived from production under this lease, produced, processed, removed, sold, or utilized from this lease or reasonably susceptible of sale or utilization by the Lessee, except that as to any by-product which is a mineral named in Sec. 1 of the Mineral Leasing Act of February 25, 1920, as amended, (30 U.S.C. 181), the rate of royalty for such mineral shall be the same as that provided in that statute and the maximum rate of royalty for such mineral shall not exceed the maximum royalty applicable under that statute.

(3) A royalty of **5** percent of the value of commercially demineralized water which has been produced from the leased lands, and has been sold or utilized by the Lessee or is reasonably susceptible of sale or utilization by the Lessee. In no event shall the Lessee pay to the Lessor, for the lease year beginning on or after the commencement of production in commercial quantities on the leased lands or any subsequent lease year, a royalty of less than two (2) dollars per acre or fraction thereof. If royalty paid on production during the lease year has not satisfied this requirement, the Lessee shall pay the difference on or before the expiration date of the lease year for which it is paid.

(d) *Waiver and Suspension of Rental and Royalties* - Rentals or royalties may be waived, suspended, or reduced pursuant to the applicable regulations on the entire leasehold or any portion thereof in the interest of conservation or for the purpose of encouraging the greatest ultimate recovery of geothermal resources if the Lessor determines that it is necessary to do so to promote such development, or because the lease cannot be successfully operated under the terms fixed herein.

(e) *Undivided Fractional Interests* - Where the interest of the Lessor in the geothermal resources underlying any tract or tracts described in Sec. 1 is an undivided fractional interest, the rentals and royalties payable on account of each such tract shall be in the same proportion to the rentals and royalties provided in this lease as the individual fractional interest of the Lessor in the geothermal resources underlying such tract is to the full fee interest.

(f) *Readjustments* - Rentals and royalties hereunder may be readjusted in accordance with the Act and regulations to rates not in excess of the rates provided therein, and at not less than twenty (20) year intervals beginning thirty-five (35) years after the date geothermal steam is produced from the lease as determined by the Supervisor.

Sec. 4. PAYMENTS - It is expressly understood that the Secretary may establish the values and minimum values of geothermal resources to compute royalties in accordance with the applicable regulations. Unless otherwise directed by the Secretary, all payments to the Lessor will be made as required by the regulations. If there is no well on the leased lands capable of producing geothermal resources in commercial quantities, the failure to pay rental on or before the anniversary date shall cause the lease to terminate by operation of law except as provided by Sec. 3244.2 of the regulations. If the time for payment falls on a day on which the proper office to receive payment is closed, payment shall be deemed to be made on time if made on the next official working day.

Sec. 5. BONDS - The Lessee shall file with the Authorized Officer of the Bureau (hereinafter called the "Authorized Officer") shall maintain at all times the bonds required under the regulations to be furnished as a condition to the issuance of this lease or prior to entry on the leased lands in the amounts established by the Lessor and to furnish such additional bonds or security as may be required by the Lessor upon entry on the lands or after operations or production have begun.

Sec. 6. WELLS

(a) The Lessee shall drill and produce all wells necessary to protect the leased land from drainage by operations on lands not the property of the Lessor, or other lands of the Lessor leased at a lower royalty rate, or on lands as to which royalties and rentals are paid into different funds from those

into which royalties under this lease are paid. However, in lieu of any part of such drilling and production, with the consent of the Supervisor, the Lessee may compensate the Lessor in full each month for the estimated loss of royalty through drainage in the amount determined by said Supervisor.

(b) At the Lessee's election, and with the approval of the Supervisor, the Lessee shall drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized by applicable law.

(c) After due notice in writing, the Lessee shall diligently drill and produce such wells as the Supervisor shall require so that the leased lands may be properly and timely developed and for the production of geothermal steam and its by-products, including commercially demineralized water for beneficial uses in accordance with applicable state laws. However, the Supervisor may waive or modify the requirements of this subparagraph (c) in the interest of conservation of natural resources or for economic feasibility or other reasons satisfactory to him. If the products or by-products of geothermal production from wells drilled on this lease are susceptible of producing commercially demineralized water for beneficial uses, and a program therefor is not initiated with due diligence, the Lessor may at its option elect to take such products or by-products and the Lessee shall deliver all or any portion thereof to the Lessor at any point in the Lessee's geothermal gathering or disposal system without cost to the Lessee, if the Lessee's activities, under the lease, would not be impaired and such delivery would otherwise be consistent with field and operational requirements. The retention of this option by the Lessor shall in no way relieve the Lessee from the duty of producing commercially demineralized water where required to do so by the Lessor, except when the option is being exercised and then only with respect to wells where it is being exercised, or limit the Lessor's right to take any action under Sec. 25 to enforce that requirement.

Sec. 7. INSPECTION - The Lessee shall keep open at all reasonable times for the inspection of any duly authorized representative of the Lessor the leased lands and all wells, improvements, machinery, and fixtures thereon and all production reports, maps, records, books, and accounts relative to operations under the lease, and well logs, surveys, or investigations of the leased lands.

Sec. 8. CONDUCT OF OPERATIONS - The Lessee shall conduct all operations under this lease in a workmanlike manner and in accordance with all applicable statutes, regulations, and GRO orders, and all other appropriate directives of the Lessor to prevent bodily injury, danger to life or health, or property damage, and to avoid the waste of resources, and shall comply with all requirements which are set forth in 43 CFR Group 3200, including, but not limited to, Subpart 3204, or which may be prescribed by the Lessor pursuant to the regulations, and with the special stipulations which are attached to the lease, all of which are specifically incorporated into this lease. A breach of any term of this lease, including the stipulations attached hereto, will be subject to all the provisions of this lease with respect to remedies in case of default. Where any stipulation is inconsistent with a regular provision of this lease, the stipulation shall govern.

Sec. 9. INDEMNIFICATION

(a) The Lessee shall be liable to the Lessor for any damage suffered by the Lessor in any way arising from or connected with the Lessee's activities and operations conducted pursuant to this lease, except where damage is caused by employees of the Lessor acting within the scope of their authority.

(b) The Lessee shall indemnify and hold harmless the Lessor from all claims arising from or connected with the Lessee's activities and operations under this lease.

(c) In any case where liability without fault is imposed on the Lessee pursuant to this section, and the damages involved were caused by the action of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damage occurred.

Sec. 10. CONTRACTS FOR SALE OR DISPOSAL OF PRODUCTS - The Lessee shall file with the Supervisor not later than thirty (30) days after the effective date thereof any contract, or evidence of other arrangement for the sale or disposal of geothermal resources.

Sec. 11. ASSIGNMENT OF LEASE OR INTEREST THEREIN - Within ninety (90) days from the date of execution thereof, the Lessee shall file for approval by the Authorized Officer any instruments of transfer made of this lease or of any interest therein, including assignments of record title and working or other interests.

Sec. 12. REPORTS AND OTHER INFORMATION - At such times and in such form as the Lessor may prescribe, the Lessee shall comply with all reporting requirements of the geothermal resources leasing, operating, and unit regulations and shall submit quarterly reports containing the data which it has collected through the monitoring of air, land, and water quality and all other data pertaining to the effect on the environment by operations under the lease. The Lessee shall also comply with such other reporting requirements as may be imposed by the Authorized Officer or the Supervisor. The Lessor may release to the general public any reports, maps, or other information submitted by the Lessee except geologic and geophysical interpretations, maps, or data subject to 30 CFR 270.79 or unless the Lessee shall designate that information as proprietary and the Supervisor or the Authorized Officer shall approve that designation.

Sec. 13. DILIGENT EXPLORATION - In the manner required by the regulations, the Lessee shall diligently explore the leased lands for geothermal resources until there is production in commercial quantities applicable to this lease. After the fifth year of the primary term the Lessee shall make at least

the minimum expenditures required to qualify the operations on the leased lands as diligent exploration under the regulations.

Sec. 14. PROTECTION OF THE ENVIRONMENT (LAND, AIR AND WATER) AND IMPROVEMENTS - The Lessee shall take all mitigating actions required by the Lessor to prevent: (a) soil erosion or damage to crops or other vegetative cover on Federal or non-Federal lands in the vicinity; (b) the pollution of land, air, or water; (c) land subsidence, seismic activity, or noise emissions; (d) damage to aesthetic and recreational values; (e) damage to fish or wildlife or their habitats; (f) damage to or removal of improvements owned by the United States or other parties; or (g) damage to or destruction or loss of fossils, historic or prehistoric ruins, or artifacts. Prior to the termination of bond liability or at any other time when required and to the extent deemed necessary by the Lessor, the Lessee shall reclaim all surface disturbances as required, remove or cover all debris or solid waste, and, so far as possible, repair the offsite and onsite damage caused by his activity or activities incidental thereto, and return access roads or trails and the leased lands to an acceptable condition including the removal of structures, if required. The Supervisor or the Authorized Officer shall prescribe the steps to be taken by Lessee to protect the surface and the environment and for the restoration of the leased lands and other lands affected by operations on the leased lands and improvements thereon, whether or not the improvements are owned by the United States. Timber or mineral materials may be obtained only on terms and conditions imposed by the Authorized Officer.

Sec. 15. WASTE - The Lessee shall use all reasonable precautions to prevent waste of natural resources and energy, including geothermal resources, or of any minerals, and to prevent the communication of water or brine zones with any oil, gas, fresh water, or other gas or water bearing formations or zones which would threaten destruction or damage to such deposits. The Lessee shall monitor noise, air, and water quality conditions in accordance with any orders of the Supervisor.

Sec. 16. MEASUREMENTS - The Lessee shall gauge or otherwise measure all production, sales, or utilization of geothermal resources and shall record the same accurately in records as required by the Supervisor. Reports on production, sales, or utilization of geothermal resources shall be submitted in accordance with the terms of this lease and the regulations.

Sec. 17. RESERVATIONS TO LESSOR - All rights in the leased area not granted to the Lessee by this lease are hereby reserved to the Lessor. Without limiting the generality of the foregoing such reserved rights include:

(a) *Disposal* - The right to sell or otherwise dispose of the surface of the leased lands or any resource in the leased lands under existing laws, or laws hereafter enacted, subject to the rights of the Lessee under this lease;

(b) *Rights-of-way* - The right to authorize geological and geophysical explorations on the leased lands which do not interfere with or endanger actual operations under this lease, and the right to grant such easements or rights-of-way for joint or several use upon, through or in the leased area for steam lines and other public or private purposes which do not interfere with or endanger actual operations or facilities constructed under this lease;

(c) *Mineral Rights* - The ownership of and the right to extract oil, hydrocarbon gas, and helium from all geothermal steam and associated geothermal resources produced from the leased lands;

(d) *Casing* - The right to acquire the well and casing at the fair market value of the casing where the Lessee finds only potable water, and such water is not required in lease operations; and

(e) *Measurements* - The right to measure geothermal resources and to sample any production thereof.

Sec. 18. ANTIQUITIES AND OBJECTS OF HISTORIC VALUE - The Lessee shall immediately bring to the attention of the Authorized Officer any antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric ruins, fossils, or artifacts discovered as a result of operations under this lease, and shall leave such discoveries intact. Failure to comply with any of the terms and conditions imposed by the Authorized Officer with regard to the preservation of antiquities may constitute a violation of the Antiquities Act (16 U.S.C. 431-433). Prior to operations, the Lessee shall furnish to the Authorized Officer a certified statement that either no archaeological values exist or that they may exist on the leased lands to the best of the of the Lessee's knowledge and belief and that they might be impaired by geothermal operations. If the Lessee furnishes a statement that archaeological values may exist where the land is to be disturbed or occupied, the Lessee will engage a qualified archaeologist, acceptable to the Authorized Officer, to survey and salvage, in advance of any operations, such archaeological values on the lands involved. The responsibility for the cost for the certificate, survey, and salvage will be borne by the Lessee, and such salvaged property shall remain the property of the Lessor or the surface owner.

Sec. 19. DIRECTIONAL DRILLING - A directional well drilled under the leased area from a surface location on nearby land not covered by the lease shall be deemed to have the same effect for all purposes of this lease as a well drilled from a surface location on the leased area. In such circumstances, drilling shall be considered to have been commenced on the nearby land for the purposes of this lease, and production of geothermal resources from the leased area through any directional well located on nearby land, or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations (as the case may be) on the leased area for all purposes of this lease. Nothing contained in this section shall be construed as

granting to the Lessee any right in any land outside the leased area.

Sec. 20. OVERRIDING ROYALTIES - The Lessee shall not create overriding royalties of less than one-quarter (1/4) of one percent of the value of output nor in excess of 50 percent of the rate of royalty due to the Lessor specified in Sec. 3 of this lease except as otherwise authorized by the regulations. The Lessee expressly agrees that the creation of any overriding royalty which does not provide for a prorated reduction of all overriding royalties so that the aggregate rate of royalties does not exceed the maximum rate permissible under this section, or the failure to suspend an overriding royalty during any period when the royalties due to the Lessor have been suspended pursuant to the terms of this lease, shall constitute a violation of the lease terms.

Sec. 21. READJUSTMENT OF TERMS AND CONDITIONS - The terms and conditions of this lease other than those related to rentals and royalties may be readjusted in accordance with the Act at not less than ten-year intervals beginning ten (10) years after the date geothermal steam is produced from the leased premises as determined by the Supervisor.

Sec. 22. COOPERATIVE OR UNIT PLAN - The Lessee agrees that it will on its own, or at the request of the Lessor where it is determined to be necessary for the conservation of the resource or to prevent the waste of the resource, subscribe to and operate under any reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof embracing the lands subject to this lease as the Secretary may determine to be practicable and necessary or advisable in the interest of conservation. In the event the leased lands are included within a unit, the terms of this lease shall be deemed to be modified to conform to such unit agreement. Where any provision of a cooperative or unit plan of development which has been approved by the Secretary, and which by its terms affects the leased area or any part thereof, is inconsistent with a provision of this lease, the provisions of such cooperative or unit plan shall govern.

Sec. 23. RELINQUISHMENT OF LEASE - The Lessee may relinquish this entire lease or any officially designated subdivision of the leased area in accordance with the regulations by filing in the proper BLM office a written relinquishment, in triplicate, which shall be effective as of the date of filing. No relinquishment of this lease or any portion of the leased area shall relieve the Lessee or its surety from any liability for breach of any obligation of this lease, including the obligation to make payment of all accrued rentals and royalties and to place all wells in the leased lands to be relinquished in condition for suspension or abandonment, and to protect or restore substantially the surface or subsurface resources in a manner satisfactory to the Lessor.

Sec. 24. REMOVAL OF PROPERTY ON TERMINATION OR EXPIRATION OF LEASE

(a) Upon the termination or expiration of this lease in whole or in part, or the relinquishment of the lease in whole or in part, as herein provided, the Lessee shall within a period of ninety (90) days (or such longer period as the Supervisor may authorize because of adverse climatic conditions) thereafter remove from the leased lands, no longer subject to the lease all structures, machinery, equipment, tools, and materials in accordance with applicable regulations and orders of the Supervisor. However, the Lessee shall, for a period of not more than six (6) months, continue to maintain any such property needed in the relinquished area, as determined by the Supervisor, for producing wells or for drilling or producing geothermal resources on other leases.

(b) Any structures, machinery, equipment, tools, appliances, and materials, subject to removal by the Lessee, as provided above, which are allowed to remain on the leased lands shall become the property of the Lessor on expiration of the 90-day period or any extension of that period which may be granted by the Supervisor. If the Supervisor directs the Lessee to remove such property, the Lessee shall do so at its own expense, or if it fails to do so within a reasonable period, the Lessor may do so at the Lessee's expense.

Sec. 25. REMEDIES IN CASE OF DEFAULT

(a) Whenever the Lessee fails to comply with any of the provisions of the Act, or the terms and stipulations of this lease, or of the regulations issued under the Act, or of any order issued pursuant to those regulations, and that default shall continue for a period of thirty (30) days after service of notice by the Lessor, the Lessor may (1) suspend operations until the requested action is taken to correct the noncompliance, or (2) cancel the lease in accordance with Sec. 12 of the Act (30 U.S.C. 1011). However, the 30-day notice provision applicable to this lease under Sec. 12 of the Act shall also apply as a prerequisite to the institution of any legal proceedings by the Lessor to cancel this lease while it is in a producing status. Nothing in this subsection shall be construed to apply to, or require any notice with respect to any legal action instituted by the Lessor other than an action to cancel the lease pursuant to Sec. 12 of the Act.

(b) Whenever the Lessee fails to comply with any of the provisions of the Act, or of this lease, or the regulations, or of any GRO Orders, or other orders, and immediate action is required, the Lessor without waiting for action by the Lessee may enter on the leased lands and take such measures as it may deem necessary to correct the failure, including a suspension of operations or production, all at the expense of the Lessee.

(c) A waiver of any particular violation of the provisions of the Act, or of this lease, or of any regulations promulgated by the Secretary under the Act, shall not prevent the cancellation of this lease or the exercise of any other remedy or remedies under paragraphs (a) and (b) of this section by reason of any other such violation, or for the same violation occurring at any other time.

(d) Nothing herein shall limit or affect the Lessee's right to a hearing and appeal as provided in Sec. 12 of the

Act and in the regulations promulgated thereunder. N-61707

(e) Upon cancellation, the Lessee shall remove all property in accordance with Sec. 24 hereof, and shall restore the leased lands in a manner acceptable to the Lessor or as may be otherwise required by the Lessor.

Sec. 26. HEIRS AND SUCCESSORS IN INTEREST - Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns, of the respective parties hereto.

Sec. 27. UNLAWFUL INTEREST - No Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, either before or after he has qualified, and during his continuance in office, and no officer, agent, or employee of the Department shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of Sec. 3741 of the Revised Statutes (41 U.S.C. Sec. 22), as amended, and Sections 431, 432, and 433 of Title 18 of the United States Code, relating to contracts made or entered into, or accepted by or on behalf of the United States, form a part of this lease so far as the same may be applicable.

Sec. 28. MONOPOLY AND FAIR PRICES - The Lessor reserves full power and authority to protect the public interest by promulgating and enforcing all orders necessary to insure the sale of the production from the leased lands at reasonable prices, to prevent monopoly, and to safeguard the public interest.

Sec. 29. EQUAL OPPORTUNITY CLAUSE - The Lessee agrees that, during the performance of this contract:

(1) The Lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Lessor setting forth the provisions of this Equal Opportunity clause.

(2) The Lessee will, in all solicitations or advertisements for employees placed by or on behalf of the Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Lessee will send to each labor union or representative of workers with which Lessee has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Lessor, advising the labor union or workers' representative of the Lessee's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Secretary

of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Lessee's noncompliance with the Equal Opportunity clause of this lease or with any of said rules, regulations, or orders, this lease may be canceled, terminated or suspended in whole or in part and the Lessee may be declared ineligible for further Federal Government contracts or leases in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Lessee will include the provisions of Paragraphs (1) through (7) of this Section (29) in every contract, subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each contractor, subcontractor, or subcontract, or purchase order as the Secretary may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Lessee becomes involved in, or is threatened with, litigation with a contractor, subcontractor, or vendor as a result of such direction by the Secretary, the Lessee may request the Lessor to enter into such litigation to protect the interests of the Lessor.

Sec. 30. CERTIFICATION OF NONSEGREGATED FACILITIES - By entering into this lease, the Lessee certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Lessee agrees that a breach of this certification is a violation of the Equal Opportunity clause of this lease. As used in this certification, the term "segregated facilities" means, but is not limited to, any waiting rooms, work areas, rest rooms and wash rooms, or restaurants or other eating areas, time clocks, or locker rooms, and other storage or dressing rooms, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive, or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise. Lessee further agrees that (except where it has obtained identical certifications from proposed contractors and subcontractors for specific time periods) it will obtain identical certifications from proposed contractors and subcontractors prior to the award of contracts or subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that it will retain such certifications in its files; and that it will forward the following certification to such proposed contractors and subcontractors (except where the proposed contractor or subcontractor has submitted identical certifications for specific time periods); it will notify prospective contractors and subcontractors of requirement for certification of nonsegregated facilities. A Certification of Nonsegregated Facilities, as required by the May 9, 1967 Order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a contract or subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each contract and subcontract or for all contracts and subcontracts during a period (i.e., quarterly, semiannually, or annually).

Sec. 31. SPECIAL STIPULATIONS - (stipulations, if any, are attached hereto and made a part hereof)

The certified statement required by Section 18 of the lease form must be completed by a qualified archaeologist, acceptable to the Authorized Officer.

The attached Fort Churchill-Alpine Special Stipulations apply to all lands within this lease.

In witness whereof the parties have executed this lease.

Lessee:

Sunoco Energy Development Co.

W. L. Parchman, Jr.
(Signature of Lessee)

W. L. Parchman, Jr.
Agent and Attorney-in-fact

(Signature of Lessee)

May 14, 1976

SEA

(Date)

THE UNITED STATES OF AMERICA, Lessor:

By *Maens J. Holland* Acting
(Authorized Officer)

A. John Hillsamer, Chief
Lands & Minerals Operations

(Title)

June 2, 1976

(Date)

FORT CHURCHILL-CLAN ALPINE
SPECIAL STIPULATIONS

The Lessee shall comply with the following special conditions and stipulations unless they are modified by mutual agreement of the Lessee, the Supervisor and the Authorized Officer:

1. Surface occupancy within 500 feet. (horizontal measurement) of any canal, ditch, slough, pond, lake, spring, or open body of water may be restricted or denied where deemed necessary by the appropriate surface management agency to protect wildlife and other resources. Other buffer zones and areas of restricted surface occupancy may be required to protect other resource values, including but not limited to, critical or rare or endangered species habitat.
2. The certified statement required by Section 18 of the lease form must be completed by a qualified archaeologist, acceptable to the Authorized Officer.
3. The use of wide or balloon-tired vehicles and/or helicopters may be required for any activities in off-road areas where deemed necessary to protect the soil and other resources.
4. Springs and water developments on Federal lands may be used only with the prior written approval of the Authorized Officer.

VERIFIED

165220

OFFICIAL RECORDS
CHURCHILL COUNTY, NEVADA
RECORDED BYSUNOCO ENERGY DEVELOPMENT
CO.

79 JUN 6 AM 9:44

STEVE L. LAGA
COUNTY RECORDERFEE 7⁰⁰ DEP

Record and Return to
TITLE RECORD DEPARTMENT
SUNOCO ENERGY DEVELOPMENT CO.
12700 Park Central Place - Suite 1500
Dallas, Texas 75251

END OF DOCUMENT

Form 3200-24a
(September 2008)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No.

NVN86892

OFFER TO LEASE AND LEASE FOR GEOTHERMAL RESOURCES
(For New Leases Issued Under the Energy Policy Act of 2005 [August 5, 2005])

The undersigned (see page 2) offers to lease all or any of the lands in item 2 that are available under the Geothermal Steam Act of 1970, as amended (30 U.S.C. 1001-1025).

READ INSTRUCTIONS BEFORE COMPLETING

1. Name TGP DEVELOPMENT COMPANY LLC	1a. Street 9590 PROTOTYPE CT STE 200	Future rental payments must be made on or before the anniversary date to: Minerals Management Service Royalty Management Program P.O. Box 5640 Denver, CO 80217
1b. City RENO	1c. State NV	
		1d. Zip Code 89521

2. Surface managing agency if other than BLM: _____ Unit/Project: _____

Legal description of land requested (segregate by public domain and acquired lands): Enter T., R., Meridian, State and County

Total Acres Applied for _____

Percent U.S. interest _____

Amount remitted: Processing Fee \$ _____ Rental Fee \$ _____ Total \$ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease: Enter T., R., Meridian, State and County

T.0240N, R.0360E, 21 MDM, NV
Sec. 021 ALL;
Churchill CountyTotal Acres in Lease 640.00Rental Retained \$ 1280.00

In accordance with the above offer, or the previously submitted competitive bid, this lease is issued granting the exclusive right to drill for, extract, produce, remove, utilize, sell, and dispose of all the geothermal resources in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon, for a primary term of 10 years and subsequent extensions thereof in accordance with 43 CFR subpart 3207. Rights granted are subject to: applicable laws; the terms, conditions, and attached stipulations of this lease; the Secretary of the Interior's regulations and formal orders in effect as of lease issuance; and, when not inconsistent with the provisions of this lease, regulations and formal orders hereafter promulgated.

Type of Lease:

- ☒ Competitive
☐ Noncompetitive
☐ Noncompetitive direct use (43 CFR subpart 3205)

Comments:

THE UNITED STATES OF AMERICA

BY


 (Signing Official)

ATANDA CLARK

(Printed Name)

Chief, Branch of Minerals Adjudication **AUG 07 2009**

(Title)

(Date)

EFFECTIVE DATE OF LEASE

SEP - 1 2009Check if this is a converted lease ☐

EFFECTIVE DATE OF LEASE CONVERSION _____

(Continued on page 2)

- 4 (a) The undersigned certifies that
- (1) The offeror is a citizen of the United States, an association of such citizens, a municipality, or a corporation organized under the laws of the United States, any State or the District of Columbia; (2) All parties holding an interest in the offer are in compliance with 43 CFR part 3200 and the authorizing Act; (3) The offeror's chargeable interests, direct and indirect, do not exceed those allowed under the Act; and (4) The offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.
 - (b) The undersigned agrees that signing this offer constitutes acceptance of this lease, including all terms, conditions and stipulations of which the offeror has been given notice. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford the offeror no priority if it is not properly completed and executed in accordance with the regulations or if it is not accompanied by the required payments. Title 18 U.S.C. § 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 20____.

(Printed Name of Lessee or Attorney-in-fact)

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals must be paid to the proper office of the lessor in advance of each lease year. Annual rental rates per acre or fraction thereof, as applicable, are:

- (a) Noncompetitive lease (includes post-sale parcels not receiving bids, a direct use lease or a lease issued to a mining claimant) \$1.00 for the first 10 years; thereafter \$5.00; or
 - (b) Competitive lease \$2.00 for the first year, \$3.00 for the second through tenth year, thereafter \$5.00.
- Annual rental is always due by the anniversary date of this lease (43 CFR 3211.13), regardless of whether the lease is in a unit or outside of a unit, the lease is in production or not, or royalties or direct use fees apply to the production.
- Rental may only be credited toward royalty under 43 CFR 3211.15 and 30 CFR 218.303. Rental may not be credited against direct use fees. Failure to pay annual rental timely will result in late fees and will make the lease subject to termination in accordance with 43 CFR 3213.14.

Sec. 2. (a) Royalties—Royalties must be paid to the proper office of the lessor. Royalties are due on the last day of the month following the month of production. Royalties will be computed in accordance with applicable regulations and orders. Royalty rates for geothermal resources produced for the commercial generation of electricity but not sold in an arm's length transaction are 1.75 percent for the first 10 years of production and 3.5 percent after the first 10 years. The royalty rate is to be applied to the gross proceeds derived from the sale of electricity in accordance with 30 CFR part 206 subpart H. The royalty rate for byproducts derived from geothermal resource production that are minerals specified in section 1 of the Mineral Leasing Act (MLA), as amended (30 U.S.C. 181), is 5 percent, except for sodium compounds, produced between September 29, 2006 and September 29, 2011 (Pub. L. No. 109-338, §102, note to 30 U.S.C. 362) for which the royalty rate is 2 percent. No royalty is due on byproducts that are not specified in 30 U.S.C. § 181 (43 CFR 3211.19).

If this lease or a portion thereof is committed to an approved communitization or unit agreement and the agreement contains a provision for allocation of production, royalties must be paid on the production allocated to this lease.

(b) Arm's length transactions—The royalty rate for geothermal resources sold by you or your affiliate at arm's length to a purchaser is 10 percent of the gross proceeds derived from the arm's-length sale (43 CFR 3211.17, 3211.18).

(c) Advanced royalties—In the absence of a suspension, if you cease production for more than one calendar month on a lease that is subject to royalties and that has achieved commercial production, your lease will remain in effect only if you make advanced royalty payments in accordance with 43 CFR 3212.15(a) and 30 CFR 218.305.

(d) Direct use fees—Direct use fees must be paid in lieu of royalties for geothermal resources that are utilized for commercial, residential, agricultural, or other energy needs other than the commercial production or generation of electricity, but not sold in an arm's length transaction (43 CFR 3211.18, 30 CFR 206.356).

This requirement applies to any direct use of federal geothermal resources (unless the resource is exempted as described in 30 CFR 202.351(b) or the lessee is covered by paragraph (e), below) and is not limited to direct use leases. Direct use fees are due on the last day of the month following the month of production.

(e) If the lessee is a State, tribal, or local government covered by 43 CFR 3211.18(a)(3) and 30 CFR 206.366, check here ☐ A lessee under this paragraph is not subject to paragraph (d), above. In lieu of royalties, the lessee under this paragraph must pay a nominal fee of \$_____.

Sec. 3. Bonds—A bond must be filed and maintained for lease operations as required by applicable regulations.

Sec. 4. Work requirements, rate of development, unitization, and drainage—Lessee must perform work requirements in accordance with applicable regulations (43 CFR 3207.11, 3207.12), and must prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves the right to specify rates of development and production and to require lessee to commit to a communitization or unit agreement, within 30 days of notice, if in the public interest. Lessee must drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in the amount determined by lessor. Lessor will exempt lessee from work requirements only where the lease overlies a mining claim that has an approved plan of operations and where BLM determines that the development of the geothermal resource on the lease would interfere with the mining operation (43 CFR 3207.13).

Sec. 5. Documents, evidence, and inspection—Lessee must file with the proper office of the lessor, not later than (30) days after the effective date thereof, any contract or evidence of other arrangement for the sale, use, or disposal of geothermal resources, byproducts produced, or for the sale of electricity generated using geothermal resources produced from the lease. At such times and in such form as lessor may prescribe, lessee must furnish detailed statements and all documents showing (a) amounts and quality of all geothermal resources produced and used (either for commercial production or generation of electricity, or in a direct use operation) or sold, (b) proceeds derived therefrom or from the sale of electricity generated using such resources, (c) amounts that are unavoidably lost or rejected before use, used to generate plant parasitic electricity (as defined in 30 CFR 206.351) or electricity for lease operations, or otherwise used for lease operations related to the commercial production or generation of electricity, and (d) amounts and quality of all byproducts produced and proceeds derived from the sale or disposition thereof. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest.

In a format and manner approved by lessor, lessee must keep a daily drilling record, a log, and complete information on well surveys and tests, keep a record of subsurface investigations, and furnish copies to lessor when required.

Lessee must keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee must maintain copies of all contracts, sales agreements, accounting records, billing records, invoices, gross proceeds and payment data regarding the sale, disposition, or use of geothermal resources, byproducts produced, and the sale of electricity generated using resources produced from the lease, and all other information relevant to determining royalties or direct use fees. All such records must be maintained in lessee's accounting offices for future audit by lessor and produced upon request by lessor or lessor's authorized representative or agent. Lessee must maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

Sec. 6. Conduct of operations—Lessee must conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee must take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with leased rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses will be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee. Prior to disturbing the surface of the leased lands, lessee must contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessor may require lessee to complete minor inventories or short term special studies under guidelines provided by lessor. If, in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee must immediately contact lessor. Lessee must cease any operations that are likely to affect or take such species, or result in the modification, damage or destruction of such habitats or objects.

Sec. 7. Production of byproducts—If the production, use, or conversion of geothermal resources from these leased lands is susceptible of producing a valuable byproduct or byproducts, including commercially demineralized water for beneficial uses in accordance with applicable State water laws, lessor may require substantial beneficial production or use thereof by lessee.

Sec. 8. Damages to property—Lessee must pay lessor for damage to lessor's improvements, and must save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 9. Protection of diverse interests and equal opportunity—Lessee must maintain a safe working environment in accordance with applicable regulations and standard industry practices, and take measures necessary to protect public health and safety. Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. Lessee must comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractor may maintain segregated facilities.

Sec. 10. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee must file with lessor any assignment or other transfer of an interest in this lease. Subject to the requirements of 43 CFR subpart 3213, lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which will be effective as of the date BLM receives it, subject to the continued obligation of the lessee and surety to be responsible for paying all accrued rentals and royalties; plugging and abandoning all wells on the relinquished land; restoring and reclaiming the surface and other resources, and complying with 43 CFR 3200.4.

Sec. 11. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee must place all wells in condition for suspension or abandonment, reclaim the land as specified by lessor, and within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells or continued protection of the environment.

Sec. 12. Proceedings in case of default—If lessee fails to comply with any provisions of this lease or other applicable requirements under 43 CFR 3200.4, and the noncompliance continues for 30 days after written notice thereof, this lease will be subject to termination in accordance with the Act and 43 CFR 3213. This provision will not be construed to prevent the exercise by lessor of any other legal and equitable remedy or action, including waiver of the default. Any such remedy, waiver, or action will not prevent later termination for the same default occurring at any other time. Whenever the lessee fails to comply in a timely manner with any of the provisions of the Act, this lease, the regulations, or other applicable requirements under 43 CFR 3200.4, and immediate action is required, the lessor may enter on the leased lands and take measures deemed necessary to correct the failure at the lessee's expense.

Sec. 13. Heirs and successors-in-interest—Each obligation of this lease will extend to and be binding upon, and every benefit hereof will inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

INSTRUCTIONS

A. General

1. Items 1 and 2 need to be completed only by parties filing for a noncompetitive lease. The BLM will complete the front of the form for other types of leases. The BLM may use the "Comments" space under Item 3 to identify when: the lessee has elected to make all lease terms subject to the Energy Policy Act of 2005 under 43 CFR 3200.7(a)(2) or 43 CFR 3200.8(b) (box labeled "converted lease" must also be checked); the lease is being issued noncompetitively to a party who holds a mining claim on the same lands as is covered by the lease under 43 CFR 3204.12; the lease is a direct use lease issued to a State, local, or tribal government (box at section 2(e) under Lease Terms must also be checked); the lease is a competitive lease with direct-use-only stipulations attached; or other special circumstances exist. A lessee who seeks to convert only the royalty rate of a lease under 43 CFR 3212.25 or who qualifies for a case-by-case royalty rate determination under 43 CFR 3211.17(b)(1)(i) should not use this form, but should instead use an addendum to the existing lease.
2. Entries must be typed or printed plainly in ink. The offeror must sign the form (Item 4) in ink.
3. An original and two copies of this offer must be prepared and filed in the proper BLM State Office. See regulations at 43 CFR 1821.10 for office locations.
4. If more space is needed, additional sheets must be attached to each copy of the form submitted.

B. Specific

Item 1—Enter the offeror's name and billing address.

Item 2—Indicate the agency managing the surface use of the land and the name of the unit or project of which the land is a part. The offeror may also provide other information that will assist in establishing status of the lands. The description of land must conform to 43 CFR 3203.10. Total acres applied for must not exceed that allowed by regulations (43 CFR 3203.10; 43 CFR 3206.12).

Payments: For noncompetitive leases, the amount remitted must include the processing fee for noncompetitive lease applications (43 CFR 3204.10; 43 CFR 3000.12) and the first year's rental at the rate of \$1 per acre or fraction thereof. If the United States owns only a fractional interest in the geothermal resources, you must pay a prorated rental under 43 CFR 3211.11(d). The BLM will retain the processing fee even if the offer is completely rejected or withdrawn. To maintain the offeror's priority, the offeror must submit rental sufficient to cover all the land requested. If the land requested includes lots or irregular quarter-quarter sections, the exact acreage of which is not known to the offeror, rental should be submitted on the assumption that each such lot or quarter-quarter section contains 40 acres. If the offer is withdrawn or rejected in whole or in part before a lease issues, the BLM will return the rental remitted for the parts withdrawn or rejected.

The BLM will fill in the processing fee for competitive lease applications (43 CFR 3203.17; 43 CFR 3000.12) and the first year's rental at the rate of \$2 per acre or fraction thereof.

Item 3—The BLM will complete this space.

NOTICES

The Privacy Act of 1974 and the regulation at 43 CFR 2.48(d) provide that you be furnished with the following information in connection with information required by this geothermal lease application.

AUTHORITY: 30 U.S.C. 1000 et seq.

PRINCIPAL PURPOSE—The information is to be used to process geothermal lease applications.

ROUTINE USES: (1) The adjudication of the lessee's rights to the land or resources. (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources. (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting uses or rights in public lands or resources. (4) Transfer to the appropriate Federal, State, local, or foreign agencies, when relevant to civil, criminal, or regulatory investigations or prosecutions.

RIPARIAN AREAS STIPULATION

The lessee shall comply with the following special conditions and stipulations unless they are modified by mutual agreement of the Lessee and the Authorized Officer (AO):

No surface occupancy or disturbance will be allowed within 650 feet (horizontal measurement) of any surface water bodies, riparian areas, wetlands, playas, or 100-year floodplains to protect the integrity of these resources (as delineated by the presence of riparian vegetation and not actual water). Exceptions to this restriction may be considered on a case-by-case basis if the BLM determines at least one of the following conditions apply: 1) additional development is proposed in an area where current development has shown no adverse impacts, 2) suitable off-site mitigation will be provided if habitat loss is expected, or 3) BLM determines development proposed under any plan of operations ensures adequate protection of the resources.

Description of Lands

PARCEL NV-09-07-007 THRU PARCEL NV-09-07-008	ALL LANDS
PARCEL NV-09-07-015 THRU PARCEL NV-09-07-017	ALL LANDS
PARCEL NV-09-07-020	ALL LANDS
PARCEL NV-09-07-025	
PARCEL NV-09-07-027 THRU PARCEL NV-09-07-028	ALL LANDS
PARCEL NV-09-07-032 THRU PARCEL NV-09-07-033	ALL LANDS
PARCEL NV-09-07-040 THRU PARCEL NV-09-07-051	ALL LANDS
PARCEL NV-09-07-055 THRU PARCEL NV-09-07-057	ALL LANDS
PARCEL NV-09-07-060 THRU PARCEL NV-09-07-067	ALL LANDS
PARCEL NV-09-07-074	ALL LANDS

NATIVE AMERICAN CONSULTATION STIPULATION

The lessee shall comply with the following special conditions and stipulations unless they are modified by mutual agreement of the Lessee and the Authorized Officer (AO):

All development activities proposed under the authority of this lease are subject to the requirement for Native American consultation prior to BLM authorizing the activity. Depending on the nature of the lease developments being proposed and the resources of concerns to tribes potentially effected, Native American consultation and resulting mitigation measures to avoid significant impacts may extend time frames for processing authorizations for development activities, as well as, change in the ways in which developments are implemented.

Description of Lands

PARCEL NV-09-07-007 THRU PARCEL NV-09-07-008	ALL LANDS
PARCEL NV-09-07-015 THRU PARCEL NV-09-07-017	ALL LANDS
PARCEL NV-09-07-020	ALL LANDS
PARCEL NV-09-07-025 THRU PARCEL NV-09-07-028	ALL LANDS
PARCEL NV-09-07-032 THRU PARCEL NV-09-07-033	ALL LANDS
PARCEL NV-09-07-040 THRU PARCEL NV-09-07-051	ALL LANDS
PARCEL NV-09-07-055 THRU PARCEL NV-09-07-057	ALL LANDS
PARCEL NV-09-07-060 THRU PARCEL NV-09-07-067	ALL LANDS
PARCEL NV-09-07-074	ALL LANDS
PARCEL NV-09-07-079	ALL LANDS

ENDANGERED SPECIES ACT
SECTION 7 CONSULTATION STIPULATION

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modifications of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act, 16 USC § 1531 *et seq.*, as amended, including completion of any required procedure for conference or consultation.

CULTURAL RESOURCE PROTECTION
LEASE STIPULATION

This lease may be found to contain historic properties or resources protected under the National Historic Preservation Act, American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, EO 13007, or other statutes and executive orders. The BLM will not approve any ground-disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require exploration or development proposals to be modified to protect such properties, or it may disapprove any activity that is likely to result in adverse effects that could not be successfully avoided, minimized, or mitigated.